

Union Calendar No. 201

103D CONGRESS
1ST SESSION

H. R. 3400

[Report No. 103-366, Parts I, II, III, IV, V, VI,
VII, VIII, IX, and X]

A BILL

To provide a more effective, efficient, and
responsive government.

NOVEMBER 15, 1993

Committees on Armed Services, Education and Labor,
Energy and Commerce, Foreign Affairs, Government
Operations, Permanent Select Committee on Intel-
ligence, and Ways and Means discharged; committed to
the Committee of the Whole House on the State of the
Union and ordered to be printed

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103^D CONGRESS
1ST SESSION

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[Report No. 103–366, Parts I, II, III, IV, V, VI, VII, VIII, IX, and X]

To provide a more effective, efficient, and responsive government.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 1993

Mr. GEPHARDT introduced the following bill; which was referred jointly to the following committees for a period ending not later than November 15, 1993: Agriculture, Armed Services, Banking, Finance and Urban Affairs, Education and Labor, Energy and Commerce, Foreign Affairs, Government Operations, House Administration, the Judiciary, Merchant Marine and Fisheries, Natural Resources, Permanent Select Committee on Intelligence, Post Office and Civil Service, Public Works and Transportation, Science, Space, and Technology, Veterans' Affairs, and Ways and Means

NOVEMBER 15, 1993

Reported from the Committee on Science, Space, and Technology with amendments

[In Title II insert the part printed in italic]

NOVEMBER 15, 1993

Reported from the Committee on Veterans' Affairs with amendments

[In Title XII omit the part struck through and insert the part printed in italic]

NOVEMBER 15, 1993

Reported from the Committee on Post Office and Civil Service with amendments

[In Title XIII omit the part struck through and insert the part printed in italic]

NOVEMBER 15, 1993

Reported from the Committee on Public Works and Transportation with amendments

[In Titles III and XI omit the part struck through and insert the part printed in italic]

NOVEMBER 15, 1993

Reported from the Committee on Natural Resources with amendments

[In Titles IV and VII omit the part struck through, insert the part printed in italic and amend the table of contents]

NOVEMBER 15, 1993

Reported from the Committee on House Administration with an amendment

[In Title XIV omit the part struck through and insert the part printed in italic]

NOVEMBER 15, 1993

Reported from the Committee on Merchant Marine and Fisheries with amendments

[In Title XI omit the part in bold parentheses and insert the part printed in boldface roman]

NOVEMBER 15, 1993

Reported from the Committee on the Judiciary with amendments

[In Titles VIII and XVI omit the part struck through]

NOVEMBER 15, 1993

Reported from the Committee on Agriculture with amendments

[In Title I omit the part struck through, insert the part printed in italic, and amend the table of contents]

NOVEMBER 15, 1993

Reported from the Committee on Banking, Finance and Urban Affairs with an amendment

[In Title VI omit the part struck through and insert the part printed in italic]

NOVEMBER 15, 1993

Committees on Armed Services, Education and Labor, Energy and Commerce, Foreign Affairs, Government Operations, Permanent Select Committee on Intelligence, and Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To provide a more effective, efficient, and responsive government.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Government Reform
3 and Savings Act of 1993”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents is as follows:

TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

~~Subtitle B—Eliminate Federal Support for Wool and Mohair~~

Subtitle B—Eliminating Federal Support for Honey

~~Subtitle C—Eliminate Federal Support for Honey~~

TITLE II—DEPARTMENT OF COMMERCE

Polar Satellite Convergence

TITLE III—DEPARTMENT OF DEFENSE

Subtitle A—Create Incentives for the Department of Defense to Generate
Revenues

Subtitle B—Closure of the Uniform Services University of the Health
Sciences

Subtitle C—Streamline and Reorganize the United States Army Corps of
Engineers

TITLE IV—DEPARTMENT OF ENERGY

Subtitle A—Alaska Power Administration Sale Authorization Act

Subtitle B—Federal-Private Cogeneration of Electricity

~~Subtitle C—Power Marketing Administration Debt Buyout~~

Subtitle C—Power Marketing Administrations

Subtitle D—Termination of Advanced Liquid Metal Reactor Program

TITLE V—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Subtitle A—Increased Flexibility in Contracting for Medicare Claims
Processing

Subtitle B—Workers’ Compensation Data Exchange Pilot Projects

Subtitle C—Federal Clearinghouse on Death Information

Subtitle D—Continuing Disability Reviews

TITLE VI—DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

Subtitle A—Multifamily Property Disposition

Subtitle B—Merger of the Certificate and Voucher Programs

Subtitle C—Streamline HUD

Subtitle D—Refinance Section 235 Mortgages

Subtitle E—Section 8 Rents for New Construction and Rehabilitation
Projects

TITLE VII—DEPARTMENT OF THE INTERIOR

~~Subtitle A—Improve the Federal Helium Program~~

Subtitle ~~B~~ A—Improve Minerals Management Service Royalty Collection

Subtitle ~~C~~ B—Phase Out the Mineral Institute Program

Subtitle C—Reorganization of Bureau of Indian Affairs

Subtitle D—Termination of Annual Direct Grant Assistance

TITLE VIII—DEPARTMENT OF JUSTICE

Bureau of Prisons Health Services User Fee

TITLE IX—DEPARTMENT OF LABOR

Subtitle A—Deterrence of Fraud and Abuse in the FECA Program

Subtitle B—Enhancement of Reemployment Programs for Federal Employees
Disabled in the Performance of Duty

Subtitle C—Wage Determinations—McNamara-O'Hara Service Contract Act
and Davis-Bacon Act

Subtitle D—Elimination of Filing Requirement for Plan Descriptions, Sum-
mary Plan Descriptions, and Descriptions of Material Modifications to a
Plan

TITLE X—DEPARTMENT OF STATE/UNITED STATES
INFORMATION AGENCY

Reduction of Mission Operating Costs

TITLE XI—DEPARTMENT OF TRANSPORTATION

Subtitle A—Authority to Charge Tuition for Attendance at the United States
Merchant Marine Academy

Subtitle B—Reform of the Essential Air Service Program

Subtitle C—Repeal of Authorization for the Airway Science Program, Colle-
giate Training Initiative, and Air Carrier Maintenance Technical Training
Facility Grant Program

Subtitle D—Capital Budgeting

Subtitle E—Public Buildings

TITLE XII—DEPARTMENT OF VETERANS AFFAIRS

Subtitle A—Remove Certain Limitations and Restrictions Contained in
Veterans Law

Subtitle B—Closure of Supply Depots and Transfer of Revolving Supply
Fund Money

Subtitle C—Provision of Information from the Medicare and Medicaid
Coverage Data Bank to the Department of Veterans Affairs

Subtitle D—Veterans' Appeals Improvement Act of 1993

TITLE XIII—HUMAN RESOURCE MANAGEMENT

Subtitle A—Federal Workforce Restructuring Act of 1993

Subtitle B—SES Annual Leave Accumulation

TITLE XIV—REINVENTING SUPPORT SERVICES

Government Information Dissemination and Printing Improvement Act of
1993

TITLE XV—STREAMLINING MANAGEMENT CONTROL

Authority to Increase Efficiency in Reporting to Congress

TITLE XVI—IMPROVING FINANCIAL MANAGEMENT

Subtitle A—Electronic Payments

Subtitle B—Franchise Funds and Innovation Funds

Subtitle C—Simplifying the Management Reporting Process

Subtitle D—Annual Financial Reports

Subtitle E—Strengthening Debt Collection Programs

Subtitle F—Improving Department of Justice Debt Collection

Subtitle G—Adjusting Civil Monetary penalties for Inflation

TITLE XVII—YEAR-END SPENDING

**TITLE I—DEPARTMENT OF
AGRICULTURE**

**Subtitle A—Department of
Agriculture Reorganization**

**SEC. 1001. DEPARTMENT OF AGRICULTURE REORGANIZA-
TION.**

Pursuant to authorities proposed in the Department of Agriculture Reorganization Act of 1993 (H.R. 3171) and current legal authorities, the Secretary of Agriculture shall take action to restructure and reinvent the Department of Agriculture by reducing the number of agencies in the Department, reducing headquarters and administrative staffing and overhead, closing or consolidating unnecessary field locations, and taking such other actions as may be necessary to reduce the staffing of the department by not less than 7,500 staff years and save a total of not less than \$1.64 billion in fiscal years 1995 through 1999.

**Subtitle B—Eliminate Federal
Support for Wool and Mohair**

**SEC. 1101. AMENDMENTS TO SECTION 703 OF NATIONAL
WOOL ACT OF 1954.**

Section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

1 “(a) Subject to subsection (b)(3), the Secretary of
 2 Agriculture shall, through the Commodity Credit Corpora-
 3 tion, make loans and payments to producers of wool and
 4 mohair through December 31, 1995.”;

5 (2) in subsection (b)—

6 (A) in paragraph (2), by striking “1997”
 7 and inserting “1995”; and

8 (B) by striking paragraph (3) and insert-
 9 ing the following new paragraph:

10 “(3) No loans, purchases, or payments shall be made
 11 for the 1996 and subsequent marketing years, except that
 12 loans and payments for the 1995 marketing year shall be
 13 paid in 1996.”; and

14 (3) by adding at the end the following new
 15 paragraph:

16 “(4)(A) Through December 31, 1995, the Secretary
 17 shall offer to wool and mohair producers recourse loans
 18 under terms and conditions that are prescribed by the Sec-
 19 retary, except that the loans shall be administered at no
 20 net cost to the Federal Government.

21 “(B) A producer who fails to repay a loan made
 22 under subparagraph (A) by the end of the following mar-
 23 keting year shall be ineligible for a loan under this Act
 24 for that marketing year and subsequent marketing
 25 years.”.

1 **SEC. 1102. AMENDMENT TO SECTION 704 OF NATIONAL**
2 **WOOL ACT OF 1954.**

3 Section 704(a) of the National Wool Act of 1954 (~~7~~
4 ~~U.S.C. 1783(a)~~) is amended by inserting after the first
5 sentence the following new sentence: “In the case of each
6 of the 1994 and 1995 marketing years, the payments shall
7 be 75 and 50 percent, respectively, of the amount other-
8 wise determined under the preceding sentence.”.

9 **SEC. 1103. REPEAL OF NATIONAL WOOL ACT OF 1954.**

10 ~~(a) IN GENERAL.—Effective December 31, 1995, the~~
11 ~~National Wool Act of 1954 (~~7 U.S.C. 1781 et seq.~~) is~~
12 ~~repealed.~~

13 ~~(b) APPLICATION.—The repeal made by subsection~~
14 ~~(a) shall apply to both the wool and mohair programs.~~

15 ~~(c) PROHIBITION.—Effective beginning December~~
16 ~~31, 1995, the Secretary of Agriculture may not provide~~
17 ~~loans or payments for wool or mohair by using the funds~~
18 ~~of the Commodity Credit Corporation or under the author-~~
19 ~~ity of any law.~~

20 **SEC. 1104. REPEAL OF SECTION 702 OF NATIONAL WOOL**
21 **ACT OF 1954, ETC.**

22 ~~(a) Section 702 of the National Wool Act of 1954~~
23 ~~(~~7 U.S.C. 1781~~) is repealed.~~

24 ~~(b) Section 703 of such Act (~~7 U.S.C. 1782~~) is~~
25 ~~amended—~~

1 (1) by striking the section heading and insert-
 2 ing the following new section heading: “SUPPORT
 3 PRICE FOR WOOL AND MOHAIR”;

4 (2) in subsection (b)(1)(i), by striking “such
 5 price support” and inserting “the support price”;
 6 and

7 (3) in subsection (d), by striking “price sup-
 8 port” and inserting “support under this section”.

9 (c) Section 704 of such Act (7 U.S.C. 1783) is
 10 amended—

11 (1) by striking the section heading and insert-
 12 ing the following new section heading:

13 “**SEC. 704. PAYMENTS.**”;

14 and

15 (2) in subsection (a), by striking “If payments
 16 are utilized as a means of price support, the” and
 17 inserting “The”.

18 (d) The first sentence of section 706 of such Act (7
 19 U.S.C. 1785) is amended by striking “price support oper-
 20 ations” and inserting “operations under this Act”.

21 **SEC. 1105. SAVINGS PROVISION.**

22 A provision of this subtitle may not affect the liability
 23 of any person under any provision of law as in effect be-
 24 fore the effective date of the provision.

**Subtitle C—Eliminate Federal
Support for Honey**

**SEC. 1201. AMENDMENTS TO SECTION 207 OF AGRICUL-
TURAL ACT OF 1949.**

Section 207 of the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended—

(1) by striking “1998” each place it appears, in subsections (a), (c), and (j), and inserting “1995”;

(2) by striking “loan” each place it appears except for subsection (d), and inserting “nonrecourse loan”; and

(3) in subsection (a), by striking paragraphs (3), (4), and (5) and inserting the following new paragraph:

“(4)(i) No loans, purchases, or payments shall be made for the 1996 and subsequent crop years.

“(ii) Through December 31, 1995, the Secretary shall offer to honey producers recourse loans under terms and conditions that are prescribed by the Secretary, except that the loans shall be administered at no net cost to the Federal Government.

“(iii) A producer who fails to repay a loan made under clause (ii) by the end of the following marketing year shall be ineligible for a loan under this Act

1 for that marketing year and subsequent marketing
 2 years.”.

3 **SEC. 1202. FURTHER AMENDMENTS TO SECTION 207 OF AG-**
 4 **RICULTURAL ACT OF 1949.**

5 Section 207 of the Agricultural Act of 1949 (7 U.S.C.
 6 1446h) is amended—

7 (1) After subsection (b)(2), by inserting the
 8 following:

9 “(3) In the case of the 1994 and 1995 market-
 10 ing years, the quantity of honey for which a pro-
 11 ducer may receive a nonrecourse loan shall be re-
 12 duced by 25 and 50 percent, respectively, of the
 13 lesser of—

14 “(i) the amount requested for a
 15 nonrecourse loan, or

16 “(ii) the most recent five year average of
 17 previous loan placements.

18 “(4) The honey not eligible for the nonrecourse
 19 loan shall be eligible for a recourse loan but shall
 20 not be eligible for a loan deficiency payment.”;

21 (2) In paragraphs (3) and (4), by striking
 22 “(3)” and “(4)” and inserting “(4)” and “(5)”; and

23 (3) After subsection (c)(2), by inserting the fol-
 24 lowing new paragraph:

1 “(3) In the case of the 1994 and 1995 market-
 2 ing years, the quantity of honey for which a pro-
 3 ducer can receive loan deficiency payments shall be
 4 75 and 50 percent, respectively, of the lesser of—

5 “(i) the amount requested for honey eligi-
 6 ble for nonrecourse loans; or

7 “(ii) the average amount received in loan
 8 deficiency payments for the previous five
 9 years.”.

10 **SEC. 1203. AMENDMENTS TO SECTION 405A OF AGRICUL-**
 11 **TURAL ACT OF 1949.**

12 Section 405A of the Agricultural Act of 1949 (7
 13 U.S.C. 1425a) is amended—

14 (1) in subsection (a), by striking “\$125,000”
 15 and inserting “\$75,000”; and

16 (2) in subsection (a), by striking all that follows
 17 “Provided, however,” and inserting “In the case of
 18 the 1994 and 1995 marketing years, the amount
 19 that a producer can forfeit shall be limited by the
 20 amount that can be put under loan as determined
 21 under section 207(b) and (c) of this Act.”.

1 **SEC. 1204. REPEAL OF SECTION 207 OF AGRICULTURAL ACT**
 2 **OF 1949.**

3 (a) ~~IN GENERAL.~~—Effective December 31, 1995,
 4 Section 207 of the Agricultural Act of 1949 (7 U.S.C.
 5 1446h) is repealed.

6 (b) ~~PROHIBITION.~~—Effective beginning December
 7 31, 1995, the Secretary of Agriculture may not provide
 8 loans or payments for honey by using the funds of the
 9 Commodity Credit Corporation or under the authority of
 10 any law, except that the Commodity Credit Corporation
 11 may settle any outstanding loans made on or before
 12 December 31, 1995.

13 **SEC. 1205. SAVINGS PROVISION.**

14 A provision of this subtitle may not affect the liability
 15 of any person under any provision of law as in effect be-
 16 fore the effect date of the provision.

17 ***TITLE I—DEPARTMENT OF***
 18 ***AGRICULTURE***

19 ***Subtitle A—Department of***
 20 ***Agriculture Reorganization***

21 ***SEC. 1001. DEPARTMENT OF AGRICULTURE REORGANIZA-***
 22 ***TION.***

23 (a) *IN GENERAL.*—*The Secretary of Agriculture shall*
 24 *(1) consolidate field, regional, and national offices within*
 25 *the Department of Agriculture and (2) reduce personnel by*
 26 *not less than 7,500 staff years, so as to achieve a reduction*

1 *in expenditures by the Department of not less than*
2 *\$1,640,000,000 during the period fiscal years 1995 through*
3 *1999.*

4 *(b) AUTHORITIES.—In consolidating offices and reduc-*
5 *ing personnel as required by subsection (a), the Secretary*
6 *shall take such action on the basis of the powers vested in*
7 *the Secretary under other laws.*

8 ***Subtitle B—Eliminating Federal***
9 ***Support for Honey***

10 ***SEC. 1101. AMENDMENTS TO SECTION 207 OF THE AGRICUL-***
11 ***TURAL ACT OF 1949.***

12 *(a) Section 207(a) of the Agricultural Act of 1949 is*
13 *amended to read as follows:*

14 *“(a) IN GENERAL.—For each of the 1991 through 1995*
15 *crops of honey, the price of honey shall be supported through*
16 *loans, purchases, or other operations, except that for the*
17 *1994 and 1995 crops, the price of honey shall be supported*
18 *through recourse loans.*

19 *“(1) For the 1991 through 1993 crop years, the*
20 *rate of support shall be not less than 53.8 cents per*
21 *pound.*

22 *“(2) For the 1994 and 1995 crop years, the Sec-*
23 *retary shall provide recourse loans to producers at*
24 *such a rate that minimizes costs and forfeitures, ex-*
25 *cept that such rate shall not be less than 44 cents a*

1 *pound. Section 407 shall not be applicable to honey*
2 *forfeited to the Commodity Credit Corporation under*
3 *loans made under this paragraph.*

4 *“(3) A producer who fails to repay a loan made*
5 *under paragraph (2) by the end of the crop year fol-*
6 *lowing the crop year for which such loan was made*
7 *shall be ineligible for a loan under this section for*
8 *subsequent crop years, except that the Secretary may*
9 *waive this provision in any case where in which the*
10 *Secretary determines that the failure to repay the*
11 *loan was due to hardship conditions or circumstances*
12 *beyond the control of the producer.”.*

13 *(b) Section 207(b) of the Agricultural Act of 1949 is*
14 *amended by striking “for a crop” and inserting “for the*
15 *1991 through 1993 crops”.*

16 *(c) Section 207(c) of the Agricultural Act of 1949 is*
17 *amended by striking “1998” and inserting “1993”.*

18 *(d) Section 207(e) of the Agricultural Act of 1949 is*
19 *amended by—*

20 *(1) striking subparagraphs (D) through (G);*

21 *(2) inserting “and” after the semicolon following*
22 *subparagraph (B); and*

23 *(3) changing the semicolon following subpara-*
24 *graph (C) to a period.*

1 (e) Section 207(j) of the Agricultural Act of 1949 is
2 amended by striking “1998” and inserting “1995”.

3 **SEC. 1102. AMENDMENT TO SECTION 405 OF THE AGRICUL-**
4 **TURAL ACT OF 1949.**

5 Section 405(a) of the Agricultural Act of 1949 is
6 amended by striking in the first sentence “section 405A”
7 and inserting “sections 207 and 405A”.

8 **SEC. 1103. AMENDMENTS TO SECTION 405A OF THE AGRI-**
9 **CULTURAL ACT OF 1949.**

10 Section 405A(a) of the Agricultural Act of 1949 is
11 amended by striking all that follows “1992 crop year,” and
12 inserting “and \$150,000 in the 1993 crop year.”.

13 **SEC. 1104. SAVINGS PROVISION.**

14 A provision of this subtitle may not affect the liability
15 of any person under any provision of law as in effect before
16 the effective date of the provision.

17 **TITLE II—DEPARTMENT OF**
18 **COMMERCE**

19 **SEC. 2001. POLAR SATELLITE CONVERGENCE.**

20 The Departments of Commerce and Defense and the
21 National Aeronautics and Space Administration shall pro-
22 pose a single operational polar environmental and weather
23 satellite system, which meets national needs. *It is the sense*
24 *of Congress that such a proposed system, contingent on the*
25 *provision of adequate resources to fully meet the national*

1 *security interests of the United States, shall be operated as*
2 *a civil system by the Department of Commerce. A detailed*
3 *implementation plan shall be submitted to Congress by the*
4 *Director of the Office of Science and Technology Policy,*
5 *in consultation with the Departments of Commerce and*
6 *Defense and the National Aeronautics and Space Adminis-*
7 *tration, by April 30, 1994. The plan shall be designed to*
8 *result in savings of up to \$300 million in budget authority*
9 *and up to \$251 million in outlays between fiscal years*
10 *1994 and 1999. The National Aeronautics and Space Ad-*
11 *ministration and the National Oceanic and Atmospheric*
12 *Administration shall jointly develop a plan to implement*
13 *a program modelled after the Operational Satellite Im-*
14 *provement Program for the purpose of making incremental*
15 *enhancements in operational weather satellite systems. The*
16 *goal of the plan shall be to achieve these enhancements in*
17 *a cost effective manner by implementing procedures aimed*
18 *at avoiding duplication of effort, cost overruns, and sched-*
19 *ule delays. The Administrators of the National Aeronautics*
20 *and Space Administration and the National Oceanic and*
21 *Atmospheric Administration shall submit to Congress no*
22 *later than April 30, 1994, a report detailing the elements*
23 *of the plan and outlining savings in budget authority and*
24 *budget outlays projected through fiscal year 1999.*

1 **TITLE III—DEPARTMENT OF**
2 **DEFENSE**
3 **Subtitle A—Create Incentives for**
4 **the Department of Defense to**
5 **Generate Revenues**

6 **SEC. 3001. INCENTIVES FOR DEPARTMENT OF DEFENSE TO**
7 **GENERATE REVENUES.**

8 Section 2577 of title 10, United States Code, is
9 amended by striking subsections (b) and (c), and inserting
10 the following new subsection:

11 “(b) Proceeds from the sale of recyclable materials
12 at an installation shall be credited to funds available for
13 operations and maintenance at that installation, and, at
14 the discretion of the installation commander, to the
15 nonappropriated morale and welfare account of the instal-
16 lation to be used for any morale and welfare activity.”.

17 **Subtitle B—Closure of the Uniform**
18 **Services University of the**
19 **Health Sciences**

20 **SEC. 3101. CLOSURE OF UNIFORM SERVICES UNIVERSITY**
21 **OF THE HEALTH SCIENCES.**

22 (a) REPEAL OF AUTHORITY.—Chapter 104 of title
23 10, United States Code, is hereby repealed.

24 (b) PHASE-OUT PROCESS.—(1) Notwithstanding any
25 other provision of law, the Secretary of Defense shall

1 phase out the Uniformed Services University of the Health
2 Sciences, beginning in fiscal year 1995, and ending with
3 the closure of such University not later than September
4 30, 1998. No provision of section 2687 of title 10, United
5 States Code, or of any other law establishing preconditions
6 to the closure of any activity of the Department of Defense
7 shall operate to establish any precondition to the phase-
8 out and closure of the Uniformed Services University of
9 the Health Sciences pursuant to this subtitle.

10 (2) Under the phase-out process required by para-
11 graph (1), the Secretary of Defense is authorized to exer-
12 cise all of the authorities pertaining to the operation of
13 the Uniformed Services University of the Health Sciences
14 that were granted to the Secretary of Defense, the Board
15 of Regents, or the Dean of the Uniformed Services Univer-
16 sity of the Health Sciences by chapter 104 of title 10,
17 United States Code, prior to enactment of the repeal of
18 that chapter by subsection (a). Such authorities may be
19 exercised by the Secretary of Defense so as to achieve an
20 orderly phase-out of operations of the Uniformed Services
21 University of the Health Sciences.

22 (3) No new class of students may be admitted to
23 begin studies in the Uniformed Services University of the
24 Health Sciences after September 30, 1994. No students
25 may be awarded degrees by such University after Septem-

ber 30, 1998, except that the Secretary of Defense may grant exceptions on a case-by-case basis for any students who by that date have completed substantially all degree requirements.

(c) AUTHORITIES UNAFFECTED.—(1) Commissioned service obligations incurred by students of the Uniformed Services University of the Health Sciences shall be unaffected by enactment of the repeal of chapter 104 of title 10, United States Code, by subsection (a).

(2) Nothing in this subtitle shall be construed as limiting the exercise by the Secretary of Defense of other authorities under law pertaining to health sciences education, training and professional development, graduate medical education, medical and scientific research, and similar activities. To the extent any such activities had been assigned by the Secretary of Defense to the Uniformed Services University of the Health Sciences, the Secretary of Defense's authority to assign such activities to any other component or entity of the Department of Defense shall be unaffected by the phase-out and closure of the Uniformed Services University of the Health Sciences pursuant to this subtitle.

(d) CONFORMING AMENDMENTS.—(1) Section 178 of title 10, United States Code, pertaining to the Henry M.

1 Jackson Foundation for the Advancement of Military
2 Medicine, is amended—

3 (A) in subsection (b), by striking “Uniformed
4 Services University of the Health Sciences” and in-
5 serting “Department of Defense”;

6 (B) in subsection (c)(1)(B), by striking “the
7 Dean of the Uniformed Services University of the
8 Health Sciences” and inserting “a person designated
9 by the Secretary of Defense”; and

10 (C) in subsection (g)(1), by striking “Uni-
11 formed Services University of the Health Sciences”
12 and inserting “Secretary of Defense”.

13 (2) Section 466 of the Public Health Service Act (42
14 U.S.C. section 286a), pertaining to the Board of Regents
15 of the National Library of Medicine, is amended in sub-
16 section (a)(1)(B) by striking “the Dean of the Uniformed
17 Services University of the Health Sciences”.

18 (3) The table of chapters and the table of sections
19 at the beginning of title 10, United States Code, is amend-
20 ed by striking references to chapter 104 and sections 2112
21 through 2115.

22 (e) EFFECTIVE DATE.—This section shall be effective
23 upon the date of enactment.

1 **Subtitle C—Streamline and Reor-**
2 **ganize the U.S. Army Corps of**
3 **Engineers**

4 **SEC. 3201. STREAMLINING AND REORGANIZATION OF**
5 **CORPS OF ENGINEERS.**

6 Notwithstanding any other provision of law, the (a)
7 *DEVELOPMENT OF PLAN.*—The Secretary of the Army shall
8 *develop a plan to reorganize the United States Army Corps*
9 *of Engineers by reorganizing the headquarters offices, re-*
10 *ducing the number of division offices, and restructuring*
11 *the district functions so as to increase the efficiency of*
12 *the United States Army Corps of Engineers and reduce*
13 *staff and costs, with the goal of achieving approximately*
14 *\$50 million in net annual savings by fiscal year 1998.*

15 (b) *TRANSMITTAL AND APPROVAL OF PLAN.*—The Sec-
16 *retary of the Army shall transmit to Congress the plan de-*
17 *veloped under subsection (a) for approval. The Secretary*
18 *shall not implement such plan until it is approved by Con-*
19 *gress.*

1 **TITLE IV—DEPARTMENT OF**
2 **ENERGY**
3 **Subtitle A—Alaska Power Adminis-**
4 **tration Sale Authorization Act**

5 **SEC. 4001. SHORT TITLE.**

6 This subtitle may be cited as the “Alaska Power Ad-
7 ministration Sale Authorization Act”.

8 **SEC. 4002. SALE OF SNETTISHAM AND EKLUTNA HYDRO-**
9 **ELECTRIC PROJECTS.**

10 (a) The Secretary of Energy may sell the Snettisham
11 Hydroelectric Project (referred to in this subtitle as
12 “Snettisham”) to the State of Alaska Power Authority
13 (now known as the Alaska Industrial Development and
14 Export Authority, and referred to in this subtitle as the
15 “Authority”), or its successor, in accordance with the Feb-
16 ruary 10, 1989, Snettisham Purchase Agreement between
17 the Alaska Power Administration of the United States De-
18 partment of Energy and the Authority.

19 (b) The Secretary of Energy may sell the Eklutna
20 Hydroelectric Project (referred to in this subtitle as
21 “Eklutna”) to the Municipality of Anchorage doing busi-
22 ness as Municipal Light and Power, the Chugach Electric
23 Association, Inc., and the Matanuska Electric Association,
24 Inc. (referred to in this subtitle as “Eklutna Purchasers”)
25 in accordance with the August 2, 1989, Eklutna Purchase

1 Agreement between the United States Department of En-
2 ergy and the Eklutna Purchasers.

3 (c) The heads of other affected Federal departments
4 and agencies, including the Secretary of the Interior, shall
5 assist the Secretary of Energy in implementing the sales
6 authorized by this Act.

7 (d) The Secretary of Energy shall deposit sale pro-
8 ceeds in the Treasury of the United States to the credit
9 of miscellaneous receipts.

10 (e) There are authorized to be appropriated such
11 sums as are necessary to prepare or acquire Eklutna and
12 Snettisham assets for sale and conveyance, such prepara-
13 tions to provide sufficient title to ensure the beneficial use,
14 enjoyment, and occupancy to the purchasers of the assets
15 to be sold.

16 (f) No later than one year after both of the sales au-
17 thorized in section 4002 have occurred, as measured by
18 the Transaction Dates stipulated in the Purchase Agree-
19 ments, the Secretary of Energy shall—

20 (1) complete the business of, and close out, the
21 Alaska Power Administration; and

22 (2) prepare and submit to Congress a report
23 documenting the sales.

1 **SEC. 4003. ASSESSMENT OF ALTERNATIVE OPTIONS.**

2 Before taking any action authorized in section 4002,
3 the Secretary shall assess the feasibility of alternative op-
4 tions for maximizing the return to the Treasury from the
5 sale of the Alaska Power Marketing Administration.

6 **Subtitle B—Federal-Private**
7 **Cogeneration of Electricity**

8 **SEC. 4101. FEDERAL-PRIVATE COGENERATION OF ELEC-**
9 **TRICITY.**

10 Section 804(2)(B) of the National Energy Conserva-
11 tion Policy Act (42 U.S.C. 8287c(2)(B)) is amended by
12 striking “, excluding any cogeneration process for other
13 than a federally owned building or buildings or other fed-
14 erally owned facilities.”.

15 **Subtitle C—Power Marketing**
16 **Administration Debt Buyout**

17 **PART 1—BONNEVILLE POWER ADMINISTRATION**
18 **DEBT BUYOUT**

19 **SEC. 4201. SHORT TITLE.**

20 This part may be cited as the “Bonneville Power Ad-
21 ministration Repayment Bonds Act”.

22 **SEC. 4202. SALE OF BONDS.**

23 Notwithstanding any other law and without fiscal
24 year limitation—

25 (1) in addition to the authority in section 13 of
26 the Federal Columbia River Transmission System

1 Act (~~16 U.S.C. 838k~~), the Administrator may issue
2 and sell bonds, notes, and other evidences of indebt-
3 edness (referred to in this part as “Bonds”) in the
4 manner and amounts the Administrator, considers
5 appropriate in the name of and for and on behalf of
6 the Bonneville Power Administration, to—

7 (A) satisfy the unpaid repayment obliga-
8 tion associated with the appropriated capital in-
9 vestment made in the Federal Columbia River
10 Power System before the issuance of the Bonds
11 authorized under this part takes place, but not
12 including Federal irrigation investments as-
13 signed to be repaid from power revenues; and

14 (B) refund Bonds;

15 (2) the Administrator shall transfer, and the
16 Secretary of the Treasury shall accept for the ac-
17 count of the General Fund, the net proceeds of the
18 Bonds referred to in paragraph (1)(A), and when
19 the Secretary of the Treasury receives the net pro-
20 ceeds, the repayment obligation associated with the
21 part of the appropriated capital investment in the
22 Federal Columbia River Power System covered by
23 the Bonds is considered to be satisfied forever;

24 (3) the Secretary of the Treasury, in consulta-
25 tion with the Administrator, shall establish the

1 amount of proceeds needed to satisfy the unpaid re-
2 payment obligation associated with the part of the
3 capital investment referred to in paragraph (1)(A)
4 as the amount necessary to increase the sum of the
5 net proceeds and the discounted present value of the
6 remaining Federal debt service of the Federal Co-
7 lumbia River Power System by \$100 million relative
8 to the discounted present value of the total Federal
9 debt service of the Federal Columbia River Power
10 System as provided by the Administrator based upon
11 the repayment schedule that would have been paid
12 under repayment policy and practices in effect on
13 September 1, 1993;

14 (4) to determine the discounted present values
15 in paragraph (3), the Secretary of the Treasury
16 shall use discount rates based on the secondary mar-
17 ket's average yield for the most recently issued 30-
18 year Treasury bonds when the Bonds authorized in
19 paragraph (1) are issued;

20 (5) these Bonds shall be in the forms and de-
21 nominations, bear the maturities (without respect to
22 the remaining average service life of the capital in-
23 vestment associated with the repayment obligation
24 satisfied by the Bonds issued under this part), be is-
25 sued and sold at the times, prices, discounts, and

1 yields, and be subject to other terms and conditions
2 (including variable rates) as the Administrator con-
3 siderers appropriate;

4 (6) under section 2(f) of the Bonneville Project
5 Act of 1937 (16 U.S.C. 832a(f)) and this part, the
6 Administrator may enter into any contract that the
7 Administrator considers necessary for the purposes
8 of carrying out this part including, but not limited
9 to, contracts for—

10 (A) the payment of the principal, interest,
11 and premium, if any, on Bonds issued under
12 this part;

13 (B) the purchase or redemption of those
14 Bonds;

15 (C) the payment of costs and expenses in-
16 cidental to this payment, purchase, and re-
17 demption; or

18 (D) the creation of reserve and other funds
19 to be held by a trustee, which funds the Admin-
20 istrator may pledge exclusively to pay those
21 costs for which the funds were created and es-
22 tablish a lien on the funds in favor of the bene-
23 ficiaries of the funds under any indenture, reso-
24 lution, or other agreement entered into in con-

1 nection with the issuance of Bonds under this
2 part;

3 ~~(7) Bonds issued under this part—~~

4 ~~(A) shall be issuable and payable through~~
5 ~~the Federal wire system;~~

6 ~~(B) are negotiable instruments that may~~
7 ~~be accepted as security for all fiduciary, trust,~~
8 ~~and public funds, the investment or deposit of~~
9 ~~which is under the authority or control of any~~
10 ~~officer or agency of the United States;~~

11 ~~(C) may be held without limitation by na-~~
12 ~~tional banks;~~

13 ~~(D) qualify as legal investments for banks,~~
14 ~~savings and loan institutions, and credit unions;~~
15 ~~and~~

16 ~~(E) are eligible collateral for Federal ad-~~
17 ~~vances and discounts, for deposits of the United~~
18 ~~States, and for the Treasury tax and loan~~
19 ~~accounts;~~

20 ~~(8) Bonds issued under this part are not in-~~
21 ~~tended to be and are not secured by the full faith~~
22 ~~and credit of the United States;~~

23 ~~(9) Bonds issued under this part are exempt~~
24 ~~both as to principal and interest from all taxation by~~

1 any State or local taxing authority, except estate, in-
2 heritance, and gift taxes;

3 ~~(10)~~ Bonds issued under this part shall contain
4 a recital that they are issued under this part and
5 this recital is conclusive evidence of the regularity of
6 the issuance and sale of the Bonds and their
7 validity;

8 ~~(11)~~ the Bonds issued under this part, all re-
9 cepts of the Secretary of the Treasury under this
10 part, any portion of the fund established under the
11 Federal Columbia River Transmission System Act
12 ~~(16 U.S.C. 838 et seq.)~~ related to these Bonds, all
13 receipts and disbursements of that fund related to
14 these Bonds, and all expenditures by the Adminis-
15 trator related to these Bonds—

16 ~~(A)~~ are exempt from any general budget
17 limitation imposed by statute on expenditures
18 and net lending ~~(budget outlays)~~ of the United
19 States Government, sequestration order, or dis-
20 cretionary spending limit;

21 ~~(B)~~ are exempt from any order issued pur-
22 suant to sections 251, 252, or 253 of the Bal-
23 anced Budget and Emergency Deficit Control
24 Act of 1985 ~~(2 U.S.C. 900 et seq.)~~; and

1 (C) are not subject to apportionment under
2 subchapter II of chapter 15 of title 31, United
3 States Code;

4 (12) in all future contracts for the sale of elec-
5 tric power, transmission, or other services, the Ad-
6 ministrator shall include provisions specifying that
7 after the repayment obligation is fully and forever
8 satisfied, the Administrator's rates for electric
9 power, transmission, or other services shall not in-
10 clude any form of economic rent to be returned to
11 the United States Government, including, without
12 limitation, a falling water charge or any other fee for
13 use of Federal facilities for power generation or
14 transmission, that relates to a project, facility, or
15 separable unit of a project or facility associated with
16 the satisfied repayment obligation, other than a
17 charge necessary to repay the new indebtedness in-
18 curred under this part. Amounts provided under sec-
19 tion 1304 of title 31, United States Code, shall be
20 the sole source for payment of a judgment against
21 the Administrator or the United States on a claim
22 for a violation of the contract provision required by
23 this paragraph;

24 (13) the Administrator shall offer to amend the
25 Administrator's existing contracts for the sale of

1 electric power, transmission, or other services to in-
2 clude the provisions described in paragraph (12);
3 and

4 (14) the Administrator shall consult with the
5 Secretary of the Treasury regarding the timing and
6 structure of the bonds issued under this part.

7 **SEC. 4203. PAYMENT OF BOND COSTS.**

8 Section 11(b)(6) of the Federal Columbia River
9 Transmission System Act (16 U.S.C. 838i(b)(6)), is
10 amended by striking “or” before “(iv)” and by inserting
11 before the semicolon “; or (v) to pay the cost of financing
12 and debt service, including premiums, if any, on Bond is-
13 sued by the Bonneville Power Administration”.

14 **SEC. 4204. COMBINED REPAYMENT STUDY.**

15 Section 7(a) of the Pacific Northwest Electric Power
16 Planning and Conservation Act (16 U.S.C. 893e(a)), is
17 amended by adding after paragraph (2) the following:

18 “(3) In establishing power and transmission
19 rates, the Administrator may base them on a single,
20 combined generation and transmission repayment
21 study which demonstrates that all indebtedness is
22 repaid by its due date. The use of such a study is
23 sufficient for the commission to approve the rates as
24 meeting repayment requirements.”.

1 **SEC. 4205. DEFINITIONS.**

2 For the purposes of this part—

3 (1) “Administrator” means the Administrator
4 of the Bonneville Power Administration; and

5 (2) “appropriated capital investment made in
6 the Federal Columbia River Power System” means
7 an investment made by the United States that—

8 (A) is made using Federal appropriations;

9 (B) is for a project or separable feature of
10 a project that is placed in service;

11 (C) is allocated to power and required by
12 law to be repaid from the power revenues by
13 the Administrator;

14 (D) is not allocated or suballocated to irri-
15 gation; and

16 (E) excludes an investment made using
17 funds borrowed under section 13 of the Federal
18 Columbia River Transmission System Act.

19 **PART 2—OTHER POWER MARKETING**

20 **ADMINISTRATIONS DEBT BUYOUT**

21 **SEC. 4206. SHORT TITLE.**

22 This part may be cited as the “Power Marketing Ad-
23 ministrations Financing Act”.

24 **SEC. 4207. DEFINITIONS.**

25 For the purposes of this part—

1 (1) “Administrator” means the Administrator
2 of the Southeastern Power Administration, the Ad-
3 ministrator of the Southwestern Power Administra-
4 tion, and the Administrator of the Western Area
5 Power Administration;

6 (2) “Fund” means the Power Marketing Ad-
7 ministration Sinking Fund established under section
8 4209; and

9 (3) “Power marketing administration” means
10 the Southeastern Power Administration, the South-
11 western Power Administration, and the Western
12 Area Power Administration.

13 **SEC. 4208. REPAYMENT OF EXISTING INDEBTEDNESS.**

14 (a) Notwithstanding any other law, within 12 months
15 after the enactment of this Act, each Administrator shall
16 develop, in consultation with the Secretary of the Treas-
17 ury, and shall implement a plan for paying the United
18 States Treasury the discounted present value of principal
19 and interest payments on power investments scheduled to
20 be paid to the United States Treasury as provided by the
21 Administrator under existing law and repayment practices
22 by that power marketing administration, as well as a one-
23 time additional payment of \$12,500,000 by the Southeast-
24 ern Power Administration, \$12,500,000 by the Southwest-
25 ern Power Administration, and \$50,000,000 by the West-

1 ern Area Power Administration. Each Administrator shall
2 issue revenue bonds as provided in section 4210 to pay
3 the obligation to the United States Treasury addressed in
4 this section, except that the issuance of these bonds shall
5 occur only if each Administrator determines by means of
6 financial studies that the refinancing will not cause an in-
7 crease in power rates over existing repayment practices.
8 When the Treasury receives full payment from an Admin-
9 istrators, it shall consider the repayment obligation of the
10 Administration associated with the payment fully and for-
11 ever discharged.

12 (b) In all future contracts for the sale of electric
13 power, transmission, or other services, each Administrator
14 shall include provisions agreeing that when the repayment
15 obligation is fully and forever discharged under subsection
16 (a), the Administrator's rates for electric power, trans-
17 mission, or other services shall not, other than is necessary
18 to repay the new indebtedness incurred under this Act,
19 include any charge in place of the satisfied obligation or
20 include any other similar form of economic rent by or re-
21 turned to the United States (including, without limitation,
22 a falling water charge or any other type of user fee for
23 use of Federal facilities for the purpose of power genera-
24 tion and transmission) on account of any project, facility,

1 or separable unit of a project or facility associated with
2 the repayment obligation satisfied.

3 (c) Each Administrator shall offer to amend existing
4 contracts for the sale of electric power, transmission, or
5 other services to include the provision described in sub-
6 section (b).

7 **SEC. 4209. POWER MARKETING ADMINISTRATION SINKING**
8 **FUND.**

9 (a) There is established in the Treasury of the United
10 States a Power Marketing Administration Sinking Fund.
11 The Secretary of the Treasury, acting as trustee for the
12 power marketing administrations, shall establish and
13 maintain a separate account in the Fund for each power
14 marketing administration, and monies of one power mar-
15 keting administration shall not be commingled with mon-
16 ies of another power marketing administration. Within the
17 separate account for each power marketing administra-
18 tion, separate projects or systems shall be accounted for
19 separately. An Administrator may deposit into the Fund
20 the monies derived from revenues that the Administrator
21 considers appropriate to ensure that the bonds issued
22 under section 4210 are refunded in a timely manner.

23 (b) Balances in the Fund shall earn interest at a rate
24 determined by the Secretary of the Treasury.

1 (c) An Administrator may make expenditures from
2 the Administrator's account in the Fund without further
3 appropriation and without fiscal year limitation to pay in-
4 debtedness incurred from bonds issued under section
5 4210.

6 (d) Each power marketing administration shall main-
7 tain its books of account in substantial conformance with
8 the Uniform System of Accounts of the Federal Energy
9 Regulatory Commission.

10 (e) The financial transactions of an Administrator
11 shall be audited by independent financial auditors, and re-
12 ports of the results of each audit shall be made to the
13 Congress within 6½ months following the end of the fiscal
14 year covered by the audit.

15 **SEC. 4210. REVENUE BONDS.**

16 (a) Each Administrator, in consultation with the Sec-
17 retary of the Treasury, may issue and sell from time to
18 time in the name of, and for and on behalf of, the respec-
19 tive power marketing administration bonds, notes, and
20 other evidences of indebtedness (in this section collectively
21 referred to as "bonds") to refinance existing indebtedness
22 as provided in section 4208 and to issue and sell bonds
23 to refund those bonds. The bonds shall be in the forms
24 and denominations, bear maturities (without respect to
25 the remaining average service life of facilities), and be sub-

1 ject to terms and conditions as prescribed by the Adminis-
2 trator taking into account terms and conditions prevailing
3 in the market for similar bonds and financing practices
4 of the utility industry. Provisions for early retirement of
5 bonds may be prescribed by each Administrator. The
6 bonds shall bear interest at a rate determined by the
7 Administrator.

8 (b) Each Administrator may enter into any contract
9 that the Administrator considers necessary for the pur-
10 poses of carrying out this part including, but not limited
11 to, contracts for—

12 (1) the payment of the principal, interest, and
13 premium, if any, on bonds issued under this part;

14 (2) their purchase or redemption;

15 (3) the payment of costs and expenses inciden-
16 tal to their payment, purchase, and redemption; or

17 (4) the creation of reserve and other funds to
18 be held by the Secretary of the Treasury as trustee,
19 which funds the Administrator may pledge exclu-
20 sively to pay those costs for which the funds were
21 created and may establish a lien on the funds in
22 favor of the beneficiaries of the funds under any in-
23 denture, resolution, or other agreement entered into
24 in connection with the issuance of bonds under this
25 part.

1 ~~(c) Bonds issued under this part—~~

2 ~~(1) shall be issuable and negotiable through the~~
3 ~~Federal wire system;~~

4 ~~(2) are negotiable instruments that may be ac-~~
5 ~~cepted as security for all fiduciary, trust, and public~~
6 ~~funds, the investment or deposit of which is under~~
7 ~~the authority or control of any officer or agency of~~
8 ~~the United States;~~

9 ~~(3) may be held, without limitation, by national~~
10 ~~banks;~~

11 ~~(4) qualify as legal instruments for banks, sav-~~
12 ~~ings and loan institutions, and credit unions; and~~

13 ~~(5) are eligible collateral for Federal advances~~
14 ~~and discounts, for deposits of the United States, and~~
15 ~~for Treasury tax and loan accounts.~~

16 ~~(d) Bonds issued under this part are exempt both as~~
17 ~~to principal and interest from all taxation by any State~~
18 ~~or local taxing authority, except estate, inheritance, and~~
19 ~~gift taxes.~~

20 ~~(e) Bonds issued under this part shall contain a re-~~
21 ~~cital that they are issued under this part and such a recital~~
22 ~~is conclusive evidence of the regularity of the issuance and~~
23 ~~sale of the bonds and their validity.~~

24 ~~(f) These bonds are not intended to be and are not~~
25 ~~secured by the full faith and credit of the United States.~~

1 ~~(g)~~ The bonds issued under this part, all receipts of
2 the Secretary of the Treasury under this part, any portion
3 of the Fund established under section 4210 related to
4 these bonds, all receipts and disbursements of the Fund
5 related to these bonds, and all expenditures by an Admin-
6 istrator related to these bonds—

7 (1) are exempt from any general budget limita-
8 tion imposed by statute on expenditures and net
9 lending ~~(budget outlays)~~ of the United States Gov-
10 ernment, sequestration order, or discretionary
11 spending limit;

12 ~~(2)~~ are exempt from any order issued pursuant
13 to sections 251, 252, or 253 of the Balanced Budget
14 and Emergency Deficit Control Act of 1985 ~~(2~~
15 ~~U.S.C. 900 et seq.)~~; and

16 (3) are not subject to apportionment under sub-
17 chapter II of chapter 15 of title 31, United States
18 Code.

19 ~~(h)~~ With respect to the Western Area Power Adminis-
20 tration, except as otherwise provided, this Act is consid-
21 ered to be a supplement to the Federal reclamation laws.

***Subtitle C—Power Marketing
Administrations***

***SEC. 4201. POWER MARKETING ADMINISTRATIONS REFI-
NANCING STUDY.***

The Administrators of the Southeastern, Southwestern and Western Area Power Administrations, in consultation with their respective firm power contractors and other interested parties (including, where applicable, the Bureau of Reclamation), shall study refinancing options, including modifications to existing financial and accounting practices that may be required to effectively and efficiently issue and manage revenue bonds. Such refinancing options shall, for each of the power systems they administer, satisfy their respective repayment obligations to the United States Treasury without causing any increase in their respective firm power rates beyond the rates that would otherwise result under rate-setting policies and practices in effect on October 1, 1993. The results of such studies shall be submitted no later than May 1, 1994, to the Speaker of the House of Representatives and the President of the Senate. Such studies shall be made within the limits of existing funding, or, if necessary, with funds contributed by firm power contractors.

1 **SEC. 4202. BONNEVILLE POWER ADMINISTRATION REFI-**
2 **NANCING STUDY.**

3 *The Administrator of the Bonneville Power Adminis-*
4 *tration, in consultation with his customers and constitu-*
5 *ents, shall study options, including an open market buyout,*
6 *a Treasury buyout, or any other reasonable alternative that*
7 *would lead to a permanent resolution of the repayment re-*
8 *form initiative directed at Bonneville's appropriation in-*
9 *vestment repayment obligation. Such refinancing options*
10 *shall satisfy the outstanding appropriated investment re-*
11 *payment obligation, without increasing rates beyond the*
12 *rates that would otherwise result under rate-setting policies*
13 *and practices in effect on October 1, 1993. The result of*
14 *this study shall be submitted to the Speaker of the House*
15 *of Representatives and the President of the Senate no later*
16 *than March 1, 1994.*

17 **Subtitle D—Termination of Ad-**
18 **vanced Liquid Metal Reactor**
19 **Program**

20 **SEC. 4301. TERMINATION OF ADVANCED LIQUID METAL RE-**
21 **ACTOR PROGRAM.**

22 *(a) IN GENERAL.—No amount of funds provided for*
23 *any fiscal year may be obligated by the Secretary of Energy*
24 *after the date of the enactment of this Act for the civilian*
25 *portion of the advanced liquid metal reactor program, in-*
26 *cluding—*

1 (1) *the program's promotion of the use of such*
 2 *reactors for the disposal of high-level radioactive*
 3 *waste; and*

4 (2) *Department of Energy support for regulatory*
 5 *applications to the Nuclear Regulatory Commission*
 6 *for design certification for advanced liquid metal re-*
 7 *actors or related licensed facilities.*

8 (b) *PROHIBITION OF OTHER USES.—The amount of*
 9 *funds available on the date of the enactment of this Act for*
 10 *obligation for the program described in subsection (a) shall*
 11 *not be available for obligation by the Secretary of Energy*
 12 *after such date for any other purpose.*

13 (c) *EXCEPTION.—Subsections (a) and (b) shall not*
 14 *apply to obligations required to be incurred in terminating*
 15 *the program described in subsection (a).*

16 **TITLE V—DEPARTMENT OF**
 17 **HEALTH AND HUMAN SERVICES**
 18 **Subtitle A—Increased Flexibility in**
 19 **Contracting for Medicare**
 20 **Claims Processing**

21 **SEC. 5001. INCREASED FLEXIBILITY IN CONTRACTING FOR**
 22 **MEDICARE CLAIMS PROCESSING.**

23 (a) **CARRIERS TO INCLUDE ENTITIES THAT ARE NOT**
 24 **INSURANCE COMPANIES.—**

1 (1) The matter in section 1842(a) of the Social
2 Security Act preceding paragraph (1) is amended by
3 striking “with carriers” and inserting “with agencies
4 and organizations (referred to as carriers”).

5 (2) Section 1842(f) of the Act is repealed.

6 (b) ELIMINATION OF INTERMEDIARY NOMINATION
7 BY PROVIDERS OF SERVICES; SECRETARIAL FLEXIBILITY
8 IN ASSIGNING FUNCTIONS TO INTERMEDIARIES AND
9 CARRIERS.—

10 (1) Section 1816 of that Act is amended by
11 striking everything after the heading but before sub-
12 section (b) and inserting the following:

13 “SEC. 1816. (a)(1) The Secretary may enter into
14 agreements with agencies or organizations to perform
15 some or all of the following functions (or parts of those
16 functions):

17 “(A) determine (subject to the provisions of sec-
18 tion 1878 and to such review by the Secretary as
19 may be provided for by the agreements) the amount
20 of the payments required pursuant to this part to be
21 made to providers of services,

22 “(B) make payments described in subparagraph
23 (A),

24 “(C) provide consultative services to institutions
25 or agencies to enable them to establish and maintain

1 fiscal records necessary for purposes of this part and
2 otherwise to qualify as hospitals, extended care fa-
3 cilities, and home health agencies,

4 “(D) serve as a center for, and communicate to
5 providers, any information or instructions furnished
6 to the agency or organization by the Secretary, and
7 serve as a channel of communication from providers
8 to the Secretary,

9 “(E) make such audits of the records of provid-
10 ers as may be necessary to ensure that proper pay-
11 ments are made under this part, and

12 “(F) perform such other functions as are nec-
13 essary to carry out the purposes of this part.

14 “(2) As used in this title and part B of title XI, the
15 term ‘fiscal intermediary’ means an agency or organiza-
16 tion with a contract under this section.”.

17 (2) Subsections (d) and (e) of section 1816 of
18 that Act are repealed.

19 (3) Section 1816(f)(1) of that Act is amended
20 by striking the second sentence.

21 (4) The matter in section 1842(a) of that Act
22 preceding paragraph (1) is amended by inserting “,
23 or parts of those functions” after “following func-
24 tions”.

1 (5) Section 1842(b)(3)(G) of that Act is
2 amended by inserting “(unless provided by another
3 carrier)” after “will provide”.

4 (6) The matter in section 1842(b)(3)(H) of that
5 Act preceding clause (i) is amended by striking “im-
6 plement—” and inserting “implement (as appro-
7 priate)—”.

8 (7) Section 1842(b)(3)(L) of that Act is amend-
9 ed by inserting “(as appropriate)” after “will”.

10 (8) The first sentence of section 1842(h)(2) of
11 that Act is amended by inserting “(unless main-
12 tained by another carrier)” after “shall maintain”.

13 (c) ELIMINATION OF SPECIAL PROVISIONS FOR TER-
14 MINATION OF CONTRACTS.—

15 (1) Section 1816(f)(1) of that Act is amended
16 by striking “, renew, or terminate” and “or reas-
17 sign”.

18 (2) Section 1816(g) of that Act is repealed.

19 (3) Section 1842(b) of that Act is amended by
20 striking paragraph (5).

21 (d) REPEAL OF PROHIBITION AGAINST DATA
22 MATCHING.—Sections 1816(c)(1) and 1842(b)(2)(A) of
23 that Act are each amended by striking the last sentence.

24 (e) REPEAL OF COST REIMBURSEMENT REQUIRE-
25 MENTS.—

1 (1) The first sentence of section 1816(c)(1) of
2 that Act is amended—

3 (A) by striking the comma after “appro-
4 priate” and inserting “and”; and

5 (B) by striking everything after “sub-
6 section (a)” up to the period.

7 (2) Section 1816(c)(1) of that Act is further
8 amended by striking the remaining sentences.

9 (3) The first sentence of section 1842(c)(1)(A)
10 of that Act is amended—

11 (A) by striking “shall provide” the first
12 place it occurs and inserting “may provide”;
13 and

14 (B) by striking everything after “this
15 part” up to the period.

16 (4) Section 1842(c)(1)(A) of that Act is further
17 amended by striking the remaining sentences.

18 (5) Section 2326(a) of the Deficit Reduction
19 Act of 1984 is repealed.

20 (f) ELIMINATION OF SEPARATE CARRIER FOR RAIL-
21 ROAD RETIREES.—Section 1842(g) of the Social Security
22 Act is repealed.

23 (g) EFFECTIVE DATE.—The amendments made by
24 the preceding subsections apply to contracts (including re-

1 newals) entered into after the third calendar month that
2 begins after the date of enactment of this Act.

3 **Subtitle B—Workers’ Compensation**
4 **Data Exchange Pilot**
5 **Projects**

6 **SEC. 5101. WORKERS’ COMPENSATION DATA EXCHANGE**
7 **PILOT PROJECTS.**

8 (a) IN GENERAL.—The Secretary is authorized to
9 conduct pilot projects with not more than three States for
10 the purpose of studying various means of obtaining on a
11 timely and accurate basis such information relating to
12 benefits paid on account of total or partial disability under
13 the States’ workers’ compensation plan as the Secretary
14 may require for the purpose of carrying out section 224
15 of the Social Security Act.

16 (b) REIMBURSEMENT OF STATE COSTS.—A State
17 that participates in a project conducted pursuant to sub-
18 section (a) may be paid by the Secretary, from amounts
19 available pursuant to subsection (e), the reasonable costs
20 of such participation.

21 (c) EVALUATION.—The Secretary shall evaluate each
22 project conducted pursuant to subsection (a) and shall
23 apply the findings, as appropriate, to agreements nego-
24 tiated pursuant to subsection (h)(2) of such section 224.

1 (d) DEADLINE FOR COMMENCEMENT OF
2 PROJECTS.—No pilot project authorized by subsection (a)
3 may be commenced after the expiration of the 5-year pe-
4 riod beginning on the date of enactment of this section.

5 (e) FUNDING.—Expenditures for pilot projects con-
6 ducted pursuant to subsection (a) may be made from the
7 Federal Disability Insurance Trust Fund and the Old-Age
8 and Survivors Insurance Trust Fund, as determined ap-
9 propriate by the Secretary.

10 (f) EFFECTIVE DATE.—This section shall be effective
11 upon enactment.

12 **Subtitle C—Federal Clearinghouse**
13 **on Death Information**

14 **SEC. 5201. FEDERAL CLEARINGHOUSE ON DEATH INFOR-**
15 **MATION.**

16 (a) CLEARINGHOUSE DESIGNATION.—The heading
17 for section 205(r) of the Social Security Act is amended
18 to read as follows: “Clearinghouse on Death Information”.

19 (b) ACQUISITION OF DISCLOSABLE DEATH INFORMA-
20 TION FROM STATES.—

21 (1) Section 205(r)(1)(A) of the Social Security
22 Act is amended by striking “to furnish the Secretary
23 periodically with” and inserting “to furnish periodi-
24 cally to the Secretary, for use in carrying out sub-
25 paragraph (B) and paragraphs (3) and (4),”.

1 (2)(A) Notwithstanding clause (ii) of section
2 6103(d)(4)(B) of the Internal Revenue Code of 1986
3 (as added by section 13444(a) of the Omnibus
4 Budget Reconciliation Act of 1993 (Public Law
5 103–66)), in order for a contract requiring a State
6 to furnish the Secretary of Health and Human Serv-
7 ices information concerning individuals with respect
8 to whom death certificates (or equivalent documents
9 maintained by the State or any subdivision thereof)
10 have been officially filed with it to meet the require-
11 ments of such section 6103(d)(4)(B), such contract
12 shall authorize the Secretary to use such information
13 and to redisclose such information to any Federal
14 agency or any agency of a State or political subdivi-
15 sion in accordance with section 205(r) of the Social
16 Security Act.

17 (B) The provisions of subparagraph (A) of this
18 paragraph and, notwithstanding subparagraph (C)
19 of section 6103(d)(4) of the Internal Revenue Code
20 of 1986 (as added by section 13444(a) of the Omni-
21 bus Budget Reconciliation Act of 1993 (Public Law
22 103–66)), the provisions of subparagraphs (A) and
23 (B) of such section 6103(d)(4) shall apply to all
24 States, regardless of whether they were, on July 1,
25 1993, pursuant to a contract, furnishing the Sec-

1 retary of Health and Human Services information
2 concerning individuals with respect to whom death
3 certificates (or equivalent documents maintained by
4 the State or any subdivision thereof) have been offi-
5 cially filed with it.

6 (C) Subparagraphs (A) and (B) of this para-
7 graph shall take effect at the same time as the
8 amendment made by section 13444(a) of the Omni-
9 bus Budget Reconciliation Act of 1993 takes effect.

10 (D) For the purpose of applying the special rule
11 contained in section 13444(b)(2) of the Omnibus
12 Budget Reconciliation Act of 1993, the reference in
13 such section to section 6103(d)(4)(B) of the Internal
14 Revenue Code of 1986 shall be deemed to include a
15 reference to subparagraph (A) of this paragraph.

16 (c) PAYMENT TO STATES FOR DEATH INFORMA-
17 TION.—Section 205(r)(2) of the Social Security Act is
18 amended—

19 (1) by striking “the reasonable costs” and in-
20 serting “a reasonable amount”; and

21 (2) by striking “transcribing and transmitting”
22 and inserting “furnishing”.

23 (d) FEE FOR CLEARINGHOUSE INFORMATION.—

24 (1) Section 205(r)(3) of the Social Security Act
25 is amended by striking out “if” and all that follows,

1 and inserting “, provided that such agency agrees to
2 pay the fees set by the Secretary pursuant to para-
3 graph (8).”.

4 (2) Section 205(r)(4) of the Social Security Act
5 is amended—

6 (A) by inserting “and political subdivi-
7 sions” after “States” the first place such term
8 appears;

9 (B) by striking “the States” and inserting
10 “any State, political subdivision, or combination
11 thereof”; and

12 (C) by striking “if” and all that follows
13 and inserting “provided such States and politi-
14 cal subdivisions agree to pay the fees set by the
15 Secretary pursuant to paragraph (8).”.

16 (3) Section 205(r) of the Social Security Act is
17 amended by adding at the end a new paragraph as
18 follows: “(8) The Secretary shall establish fees for
19 the disclosure of information pursuant to this sub-
20 section. Such fees shall be in amounts sufficient to
21 cover all costs (including indirect costs) associated
22 with the Secretary’s responsibilities under this sub-
23 section. Fees collected pursuant to this paragraph
24 shall remain available, without fiscal year limitation,

1 to the Secretary to cover the administrative costs of
2 carrying out this subsection.”.

3 (e) TECHNICAL ASSISTANCE.—Section 205(r) of the
4 Social Security Act is amended by adding at the end (after
5 the paragraph added by subsection (d)(3)) the following
6 new paragraph:

7 “(9) The Secretary may provide to any Federal or
8 State agency that provides Federally funded benefits,
9 upon the request of such agency, technical assistance on
10 the effective collection, dissemination, and use of death in-
11 formation available under this subsection for the purpose
12 of ensuring that such benefits are not erroneously paid
13 to deceased individuals.”.

14 (f) TECHNICAL AMENDMENT.—Section 205(r) of the
15 Social Security Act is amended by adding at the end (after
16 the paragraph added by subsection (e)) the following new
17 paragraph:

18 “(10) For purposes of this subsection, the term ‘Fed-
19 erally funded benefit’ means any payment funded in whole
20 or in part by the Federal Government.”.

21 (g) EFFECTIVE DATE.—Except as otherwise pro-
22 vided, the amendments made by this section shall take ef-
23 fect upon their enactment.

1 **Subtitle D—Continuing Disability**
 2 **Reviews**

3 **SEC. 5301. CONTINUING DISABILITY REVIEWS.**

4 Section 201(g)(1)(A) of the Social Security Act is
 5 amended by adding at the end of the paragraph the follow-
 6 ing sentence: “From funds provided pursuant to this sub-
 7 paragraph for the following fiscal years, not less than the
 8 following amounts shall be available only for conducting
 9 continuing disability reviews and related workloads: for
 10 fiscal year 1994, \$46 million; for fiscal year 1995,
 11 \$47,200,000; for fiscal year 1996, \$48,500,000; for fiscal
 12 year 1997, \$49,800,000; for fiscal year 1998,
 13 \$51,100,000; and for fiscal year 1999, \$52,500,000.”.

14 ~~**TITLE VI—DEPARTMENT OF**~~
 15 ~~**HOUSING AND URBAN DEVEL-**~~
 16 ~~**OPMENT**~~

17 **Subtitle A—Multifamily Property**
 18 **Disposition**

19 ~~**SEC. 6001. MULTIFAMILY PROPERTY DISPOSITION.**~~

20 ~~(a) FINDINGS.—~~The Congress finds that—

21 (1) the portfolio of multifamily housing project
 22 mortgages insured by the FHA is severely troubled
 23 and at risk of default, requiring the Secretary to in-
 24 crease loss reserves from \$5,500,000,000 in 1991 to

1 \$11,900,000,000 in 1992 to cover estimated future
2 losses;

3 (2) the inventory of multifamily housing
4 projects owned by the Secretary has more than tri-
5 pled since 1989, and, by the end of 1993, may ex-
6 ceed 75,000 units;

7 (3) the cost to the Federal Government of own-
8 ing and maintaining multifamily housing projects es-
9 calated to approximately \$250,000,000 in fiscal year
10 1992;

11 (4) the inventory of multifamily housing
12 projects subject to mortgages held by the Secretary
13 has increased dramatically, to more than 2,400
14 mortgages, and approximately half of these mort-
15 gages, with over 230,000 units, are delinquent;

16 (5) the inventory of insured and formerly in-
17 sured multifamily housing projects is rapidly deterio-
18 rating, endangering tenants and neighborhoods;

19 (6) over 5 million families today have a critical
20 need for housing that is affordable and habitable;
21 and

22 (7) the current statutory framework governing
23 the disposition of multifamily housing projects effec-
24 tively impedes the Government's ability to dispose of

1 properties, protect tenants, and ensure that projects
2 are maintained over time.

3 ~~(b) MANAGEMENT AND DISPOSITION OF MULTIFAM-~~
4 ~~ILY HOUSING PROJECTS.~~—Section 203 of the Housing
5 and Community Development Amendments of 1978 (12
6 U.S.C. 1701z-11) is amended to read as follows:

7 **“SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAM-**
8 **ILY HOUSING PROJECTS.**

9 “(a) GOALS.—The Secretary of Housing and Urban
10 Development (hereafter in this section referred to as the
11 ‘Secretary’) shall manage or dispose of multifamily hous-
12 ing projects that are owned by the Secretary or that are
13 subject to a mortgage held by the Secretary in a manner
14 that—

15 “(1) is consistent with the National Housing
16 Act and this section;

17 “(2) will protect the financial interests of the
18 Federal Government; and

19 “(3) will, in the least costly fashion among rea-
20 sonable available alternatives, further the goals of—

21 “(A) preserving housing so that it can re-
22 main available to and affordable by low-income
23 persons;

24 “(B) preserving and revitalizing residential
25 neighborhoods;

1 ~~“(C) maintaining existing housing stock in~~
2 ~~a decent, safe, and sanitary condition;~~

3 ~~“(D) minimizing the involuntary displace-~~
4 ~~ment of tenants;~~

5 ~~“(E) maintaining housing for the purpose~~
6 ~~of providing rental housing, cooperative hous-~~
7 ~~ing, and homeownership opportunities for low-~~
8 ~~income persons; and~~

9 ~~“(F) minimizing the need to demolish mul-~~
10 ~~tifamily housing projects.~~

11 The Secretary, in determining the manner in which a
12 project is to be managed or disposed of, may balance com-
13 peting goals relating to individual projects in a manner
14 that will further the purposes of this section.

15 ~~“(b) DEFINITIONS.—For purposes of this section, the~~
16 ~~following definitions shall apply:~~

17 ~~“(1) MULTIFAMILY HOUSING PROJECT.—The~~
18 ~~term ‘multifamily housing project’ means any multi-~~
19 ~~family rental housing project which is, or prior to~~
20 ~~acquisition by the Secretary was, assisted or insured~~
21 ~~under the National Housing Act, or was subject to~~
22 ~~a loan under section 202 of the Housing Act of~~
23 ~~1959.~~

24 ~~“(2) SUBSIDIZED PROJECT.—The term ‘sub-~~
25 ~~sidized project’ means a multifamily housing project~~

1 receiving any of the following types of assistance im-
2 mediately prior to the assignment of the mortgage
3 on such project to, or the acquisition of such mort-
4 gage by, the Secretary:

5 “(A) Below market interest rate mortgage
6 insurance under the proviso of section
7 221(d)(5) of the National Housing Act.

8 “(B) Interest reduction payments made in
9 connection with mortgages insured under sec-
10 tion 236 of the National Housing Act.

11 “(C) Direct loans made under section 202
12 of the Housing Act of 1959.

13 “(D) Assistance in the form of—

14 “(i) rent supplement payments under
15 section 101 of the Housing and Urban De-
16 velopment Act of 1965;

17 “(ii) housing assistance payments
18 made under section 23 of the United
19 States Housing Act of 1937 (as in effect
20 before January 1, 1975); or

21 “(iii) housing assistance payments
22 made under section 8 of the United States
23 Housing Act of 1937 (excluding payments
24 made for tenant-based assistance under
25 section 8),

1 if (except for purposes of section 183(c) of the
 2 Housing and Community Development Act of
 3 1987) such assistance payments are made to
 4 more than 50 percent of the units in the
 5 project.

6 ~~“(3) FORMERLY SUBSIDIZED PROJECT.—The~~
 7 ~~term ‘formerly subsidized project’ means a multi-~~
 8 ~~family housing project owned by the Secretary that~~
 9 ~~was a subsidized project immediately prior to its ac-~~
 10 ~~quisition by the Secretary.~~

11 ~~“(4) UNSUBSIDIZED PROJECT.—The term~~
 12 ~~‘unsubsidized project’ means a multifamily housing~~
 13 ~~project owned by the Secretary that is not a sub-~~
 14 ~~sidized project or a formerly subsidized project.~~

15 ~~“(c) MANAGEMENT OR DISPOSITION OF PROP-~~
 16 ~~ERTY.—~~

17 ~~“(1) DISPOSITION TO PURCHASERS.—The Sec-~~
 18 ~~retary is authorized, in carrying out this section, to~~
 19 ~~dispose of a multifamily housing project owned by~~
 20 ~~the Secretary on a negotiated, competitive bid, or~~
 21 ~~other basis, on such terms as the Secretary deems~~
 22 ~~appropriate considering the low-income character of~~
 23 ~~the project and the requirements of subsection (a),~~
 24 ~~to a purchaser determined by the Secretary to be ca-~~
 25 ~~pable of—~~

1 “(A) satisfying the conditions of the dis-
2 position;

3 “(B) implementing a sound financial and
4 physical management program that is designed
5 to enable the project to meet anticipated oper-
6 ating and repair expenses to ensure that the
7 project will remain in decent, safe, and sanitary
8 condition;

9 “(C) responding to the needs of the ten-
10 ants and working cooperatively with tenant or-
11 ganizations;

12 “(D) providing adequate organizational
13 staff and financial resources to the project; and

14 “(E) meeting such other requirements as
15 the Secretary may determine.

16 “(2) CONTRACTING FOR MANAGEMENT SERV-
17 ICES.—The Secretary is authorized, in carrying out
18 this section—

19 “(A) to contract for management services
20 for a multifamily housing project that is owned
21 by the Secretary (or for which the Secretary is
22 mortgagee in possession), on a negotiated, com-
23 petitive bid, or other basis at a price deter-
24 mined by the Secretary to be reasonable, with

1 a manager the Secretary has determined is ca-
2 pable of—

3 “(i) implementing a sound financial
4 and physical management program that is
5 designed to enable the project to meet an-
6 ticipated operating and maintenance ex-
7 penses to ensure that the project will re-
8 main in decent, safe, and sanitary condi-
9 tion;

10 “(ii) responding to the needs of the
11 tenants and working cooperatively with
12 tenant organizations;

13 “(iii) providing adequate organiza-
14 tional, staff, and other resources to imple-
15 ment a management program determined
16 by the Secretary; and

17 “(iv) meeting such other requirements
18 as the Secretary may determine; and

19 “(B) to require the owner of a multifamily
20 housing project that is subject to a mortgage
21 held by the Secretary to contract for manage-
22 ment services for the project in the manner de-
23 scribed in subparagraph (A).

24 “(d) MAINTENANCE OF HOUSING PROJECTS.—

1 ~~“(1) HOUSING PROJECTS OWNED BY THE SEC-~~
 2 ~~RETARY.—In the case of multifamily housing~~
 3 ~~projects that are owned by the Secretary (or for~~
 4 ~~which the Secretary is mortgagee in possession), the~~
 5 ~~Secretary shall—~~

6 ~~“(A) to the greatest extent possible, main-~~
 7 ~~tain all such occupied projects in a decent, safe,~~
 8 ~~and sanitary condition;~~

9 ~~“(B) to the greatest extent possible, main-~~
 10 ~~tain full occupancy in all such projects; and~~

11 ~~“(C) maintain all such projects for pur-~~
 12 ~~poses of providing rental or cooperative hous-~~
 13 ~~ing.~~

14 ~~“(2) HOUSING PROJECTS SUBJECT TO A MORT-~~
 15 ~~GAGE HELD BY THE SECRETARY.—In the case of~~
 16 ~~any multifamily housing project that is subject to a~~
 17 ~~mortgage held by the Secretary, the Secretary shall~~
 18 ~~require the owner of the project to carry out the re-~~
 19 ~~quirements of paragraph (1).~~

20 ~~“(e) REQUIRED ASSISTANCE.—In carrying out the~~
 21 ~~goal specified in subsection (a)(3)(A), the Secretary shall~~
 22 ~~take not less than one of the following actions:~~

23 ~~“(1) CONTRACT WITH OWNER.—Enter into con-~~
 24 ~~tracts under section 8 of the United States Housing~~
 25 ~~Act of 1937, to the extent budget authority is avail-~~

1 able, with owners of multifamily housing projects
2 that are acquired by a purchaser other than the Sec-
3 retary at foreclosure or after sale by the Secretary.

4 “(A) SUBSIDIZED OR FORMERLY SUB-
5 SIDIZED PROJECTS RECEIVING CERTAIN ASSIST-
6 ANCE.—In the case of a subsidized or formerly
7 subsidized project referred to in subparagraphs
8 (A) through (C) of subsection (b)(2)—

9 “(i) the contract shall be sufficient to
10 assist at least all units covered by an as-
11 sistance contract under any of the authori-
12 ties referred to in subsection (b)(2)(D) be-
13 fore acquisition, unless the Secretary acts
14 pursuant to the provisions of subparagraph
15 (C);

16 “(ii) in the case of units requiring
17 project-based rental assistance pursuant to
18 this paragraph that are occupied by fami-
19 lies who are not eligible for assistance
20 under section 8, a contract under this sub-
21 paragraph shall also provide that when a
22 vacancy occurs, the owner shall lease the
23 available unit to a family eligible for assist-
24 ance under section 8; and

1 “(iii) the Secretary shall take actions
 2 to ensure the availability and affordability,
 3 as defined in paragraph (3)(B), for the re-
 4 maining useful life of the project, as de-
 5 fined by the Secretary, of any unit located
 6 in any project referred to in subparagraphs
 7 (A) through (C) of subsection (b)(2) that
 8 does not otherwise receive project-based as-
 9 sistance under this subparagraph. To carry
 10 out this clause, the Secretary may require
 11 purchasers to establish use or rent restric-
 12 tions maintaining affordability, as defined
 13 in paragraph (3)(B).

14 “(B) SUBSIDIZED OR FORMERLY SUB-
 15 SIDIZED PROJECTS RECEIVING OTHER ASSIST-
 16 ANCE.—In the case of a subsidized or formerly
 17 subsidized project referred to in subsection
 18 (b)(2)(D)—

19 “(i) the contract shall be sufficient to
 20 assist at least all units in the project that
 21 are covered, or were covered immediately
 22 before foreclosure on or acquisition of the
 23 project by the Secretary, by an assistance
 24 contract under any of the authorities re-
 25 ferred to in such subsection, unless the

1 Secretary acts pursuant to provisions of
2 subparagraph (C); and

3 “(ii) in the case of units requiring
4 project-based rental assistance pursuant to
5 this paragraph that are occupied by fami-
6 lies who are not eligible for assistance
7 under section 8, a contract under this
8 paragraph shall also provide that when a
9 vacancy occurs, the owner shall lease the
10 available unit to a family eligible for assist-
11 ance under section 8.

12 “(C) EXCEPTIONS TO SUBPARAGRAPHS (A)
13 AND (B).—In lieu of providing project-based as-
14 sistance under subparagraph (A) or (B), the
15 Secretary may require certain units in
16 unsubsidized projects to contain use restrictions
17 providing that such units will be available to
18 and affordable by very low-income families for
19 the remaining useful life of the project, as de-
20 fined by the Secretary, if—

21 “(i) the Secretary matches any reduc-
22 tion in units otherwise required to be as-
23 sisted with project-based assistance under
24 subparagraph (A) or (B) with at least an
25 equivalent increase in units made afford-

1 able to very low-income persons within
2 unsubsidized projects;

3 ~~“(ii) low-income tenants residing in~~
4 ~~units otherwise requiring project-based as-~~
5 ~~sistance under subparagraph (A) or (B)~~
6 ~~upon disposition receive section 8 tenant-~~
7 ~~based assistance; and~~

8 ~~“(iii) the units described in clause (i)~~
9 ~~are located within the same market area.~~

10 ~~“(D) CONTRACT REQUIREMENTS FOR~~
11 ~~UNSUBSIDIZED PROJECTS.—Notwithstanding~~
12 ~~actions taken pursuant to subparagraph (C), in~~
13 ~~unsubsidized projects, the contract shall at least~~
14 ~~be sufficient to provide—~~

15 ~~“(i) project-based rental assistance for~~
16 ~~all units that are covered or were covered~~
17 ~~immediately before foreclosure or acquisi-~~
18 ~~tion by an assistance contract under—~~

19 ~~“(I) section 8(b)(2) of the United~~
20 ~~States Housing Act of 1937 (as such~~
21 ~~section existed before October 1,~~
22 ~~1983) (new construction and substan-~~
23 ~~tial rehabilitation); section 8(b) of~~
24 ~~such Act (property disposition); sec-~~
25 ~~tion 8(d)(2) of such Act (project-~~

1 based certificates); section 8(e)(2) of
2 such Act (moderate rehabilitation);
3 section 23 of such Act (as in effect
4 before January 1, 1975); or section
5 101 of the Housing and Urban Devel-
6 opment Act of 1965 (rent supple-
7 ments); or

8 “(II) section 8 of the United
9 States Housing Act of 1937, following
10 conversion from section 101 of the
11 Housing and Urban Development Act
12 of 1965; and

13 “(ii) tenant-based assistance under
14 section 8 of the United States Housing Act
15 of 1937 for tenants currently residing in
16 units that were covered by an assistance
17 contract under the Loan Management Set-
18 Aside program under section 8(b) of the
19 United States Housing Act of 1937 imme-
20 diately before foreclosure or acquisition of
21 the project by the Secretary.

22 “(2) ANNUAL CONTRIBUTION CONTRACTS.—In
23 the case of multifamily housing projects that are ac-
24 quired by a purchaser other than the Secretary at
25 foreclosure or after sale by the Secretary, enter into

1 annual contribution contracts with public housing
2 agencies to provide tenant-based assistance under
3 section 8 of the United States Housing Act of 1937
4 to all low-income families who are eligible for such
5 assistance on the date that the project is acquired
6 by the purchaser. The Secretary shall take action
7 under this paragraph only after making a deter-
8 mination that there is available in the area an ade-
9 quate supply of habitable affordable housing for low-
10 income families. Actions taken pursuant to this
11 paragraph may be taken in connection with not
12 more than 10 percent of the aggregate number of
13 units in subsidized or formerly subsidized projects
14 disposed of by the Secretary annually.

15 ~~“(3) OTHER ASSISTANCE.—~~

16 ~~“(A) IN GENERAL.—~~In accordance with
17 the authority provided under the National
18 Housing Act, reduce the selling price, apply use
19 or rent restrictions on certain units, or provide
20 other financial assistance to the owners of mul-
21 tifamily housing projects that are acquired by a
22 purchaser other than the Secretary at fore-
23 closure, or after sale by the Secretary, on terms
24 which will ensure that—

1 “(i) at least those units otherwise re-
 2 quired to receive project-based section 8
 3 assistance pursuant to subparagraphs (A),
 4 (B), or (D) of paragraph (1) are available
 5 to and affordable by low-income persons;
 6 and

7 “(ii) for the remaining useful life of
 8 the project, as defined by the Secretary,
 9 there shall be in force such use or rent re-
 10 strictions as the Secretary may prescribe.

11 “(B) DEFINITION.—A unit shall be consid-
 12 ered affordable under this paragraph if—

13 “(i) for very low-income tenants, the
 14 rent for such unit does not exceed 30 per-
 15 cent of 50 percent of the area median in-
 16 come, as determined by the Secretary, with
 17 adjustments for family size; and

18 “(ii) for low-income tenants other
 19 than very low-income tenants, the rent for
 20 such unit does not exceed 30 percent of 80
 21 percent of the area median income, as de-
 22 termined by the Secretary, with adjust-
 23 ments for family size.

24 “(C) VERY LOW-INCOME TENANTS.—The
 25 Secretary shall provide assistance under section

1 8 of the United States Housing Act of 1937 to
2 any very low-income tenant currently residing
3 in a unit otherwise required to receive project-
4 based assistance under section 8, pursuant to
5 subparagraph (A), (B), or (D) of paragraph
6 (1), if the rents charged such tenants as a re-
7 sult of actions taken pursuant to this para-
8 graph exceed the amount payable as rent under
9 section 3(a) of the United States Housing Act
10 of 1937.

11 “(4) ~~TRANSFER FOR USE UNDER OTHER PRO-~~
12 GRAMS OF THE SECRETARY.—

13 “(A) ~~IN GENERAL.~~—Enter into an agree-
14 ment providing for the transfer of a multifamily
15 housing project—

16 “(i) to a public housing agency for use
17 of the project as public housing; or

18 “(ii) to an owner or another appro-
19 priate entity for use of the project under
20 section 202 of the Housing Act of 1959 or
21 under section 811 of the Cranston-Con-
22 zalez National Affordable Housing Act.

23 “(B) ~~REQUIREMENTS FOR AGREEMENT.~~—
24 The agreement described in subparagraph (A)
25 shall—

1 “(i) contain such terms, conditions,
2 and limitations as the Secretary deter-
3 mines appropriate, including requirements
4 to assure use of the project under the pub-
5 lic housing, section 202, and section 811
6 programs; and

7 “(ii) ensure that no current tenant
8 will be displaced as a result of actions
9 taken under this paragraph.

10 “(f) OTHER ASSISTANCE.—In addition to the actions
11 authorized by subsection (e), the Secretary may take any
12 of the following actions:

13 “(1) SHORT-TERM LOANS.—Provide short-term
14 loans to facilitate the sale of multifamily housing
15 projects to nonprofit organizations or to public agen-
16 cies if—

17 “(A) authority for such loans is provided
18 in advance in an appropriations Act;

19 “(B) such loans are for a term of not more
20 than 5 years;

21 “(C) the Secretary is presented with satis-
22 factory documentation, evidencing a commit-
23 ment of permanent financing to replace such
24 short-term loan, from a lender who meets
25 standards set forth by the Secretary; and

1 “(D) the terms of such loans are consist-
2 ent with prevailing practices in the marketplace
3 or the provision of such loans results in no cost
4 to the Government, as defined in section 502 of
5 the Congressional Budget Act.

6 “(2) TENANT-BASED ASSISTANCE.—In connec-
7 tion with projects referred to in subsection (e), make
8 available tenant-based assistance under section 8 of
9 the United States Housing Act of 1937 to very low-
10 income families (as defined in section 3(b)(2) of the
11 United States Housing Act of 1937) that do not
12 otherwise qualify for project-based assistance.

13 “(3) ALTERNATIVE USES.—

14 “(A) IN GENERAL.—Notwithstanding any
15 other provision of law, and subject to notice to
16 and comment from existing tenants, allow not
17 more than—

18 “(i) 5 percent of the total number of
19 units in multifamily housing projects that
20 are disposed of by the Secretary during
21 any 1-year period to be made available for
22 uses other than rental or cooperative uses,
23 including low-income homeownership op-
24 portunities, or in any particular project,
25 community space, office space for tenant

1 or housing-related service providers or se-
2 curity programs, or small business uses, if
3 such uses benefit the tenants of the
4 project; and

5 “(ii) 5 percent of the total number of
6 units in multifamily housing projects that
7 are disposed of by the Secretary during
8 any 1-year period to be used in any man-
9 ner, if the Secretary and the unit of gen-
10 eral local government or area-wide govern-
11 ing body determine that such use will fur-
12 ther fair housing, community development,
13 or neighborhood revitalization goals.

14 “(B) DISPLACEMENT PROTECTION.—The
15 Secretary shall make available tenant-based
16 rental assistance under section 8 of the United
17 States Housing Act of 1937 to any tenant dis-
18 placed as a result of actions taken by the Sec-
19 retary pursuant to subparagraph (A), and the
20 Secretary shall take such actions as the Sec-
21 retary determines necessary to ensure the suc-
22 cessful use of any tenant-based assistance.

23 “(g) AUTHORIZATION OF USE OR RENT RESTRIC-
24 TIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the
25 goals specified in subsection (a), the Secretary may re-

1 quire certain units in unsubsidized projects to contain use
2 or rent restrictions providing that such units will be avail-
3 able to and affordable by very low-income persons for the
4 remaining useful life of the property, as defined by the
5 Secretary.

6 ~~“(h) CONTRACT REQUIREMENTS.—~~

7 ~~“(1) CONTRACT TERM.—~~

8 ~~“(A) IN GENERAL.—~~Contracts for project-
9 based rental assistance under section 8 of the
10 United States Housing Act of 1937 provided
11 pursuant to this section shall be for a term of
12 not more than 15 years; and

13 ~~“(B) CONTRACT TERM OF LESS THAN 15~~
14 ~~YEARS.—~~Notwithstanding subparagraph (A), to
15 the extent that units receive project-based as-
16 sistance for a contract term of less than 15
17 years, the Secretary shall require that rents
18 charged to tenants for such units not exceed
19 the amount payable for rent under section 3(a)
20 of the United States Housing Act of 1937 for
21 a period of at least 15 years.

22 ~~“(2) CONTRACT RENT.—~~

23 ~~“(A) IN GENERAL.—~~The Secretary shall
24 set contract rents for section 8 project-based
25 rental contracts issued under this section at lev-

els that, in conjunction with other resources available to the purchaser, provide for the necessary costs of rehabilitation of such project and do not exceed the percentage of the existing housing fair market rents for the area (as determined by the Secretary under section 8(c) of the United States Housing Act of 1937) as the Secretary may prescribe.

“(B) UP-FRONT GRANTS AND LOANS.—If such an approach is determined to be more cost-effective, the Secretary may utilize the budget authority provided for project-based section 8 contracts issued under this section to—

“(i) provide project-based section 8 rental assistance; and

“(ii)(I) provide up-front grants for the necessary cost of rehabilitation; or

“(II) pay for any cost to the Government, as defined in section 502 of the Congressional Budget Act, for loans made pursuant to subsection (f)(1).

“(i) DISPOSITION PLAN.—

“(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop a disposition plan

1 for the project that specifies the minimum terms
2 and conditions of the Secretary for disposition of the
3 project, the initial sales price that is acceptable to
4 the Secretary, and the assistance that the Secretary
5 plans to make available to a prospective purchaser
6 in accordance with this section. The initial sales
7 price shall reflect the intended use of the property
8 after sale.

9 ~~“(2) COMMUNITY AND TENANT INPUT INTO~~
10 ~~DISPOSITION PLANS AND SALES.—~~

11 ~~“(A) IN GENERAL.—~~In carrying out this
12 section, the Secretary shall develop procedures
13 to obtain appropriate and timely input into dis-
14 position plans from officials of the unit of gen-
15 eral local government affected, the community
16 in which the project is situated, and the tenants
17 of the project.

18 ~~“(B) TENANT ORGANIZATIONS.—~~The Secretary
19 shall develop procedures to facilitate, where feasible
20 and appropriate, the sale of multifamily housing
21 projects to existing tenant organizations with dem-
22 onstrated capacity or to public or nonprofit entities
23 which represent or are affiliated with existing tenant
24 organizations.

25 ~~“(C) TECHNICAL ASSISTANCE.—~~

1 “(i) ~~USE OF FUNDS.~~—To carry out
2 the procedures developed under subpara-
3 graphs (A) and (B), the Secretary is au-
4 thorized to provide technical assistance, di-
5 rectly or indirectly, and to use amounts ap-
6 propriated for technical assistance under
7 the Emergency Low Income Housing Pres-
8 ervation Act of 1987, the Low-Income
9 Housing Preservation and Resident Home-
10 ownership Act of 1990, subtitle B of title
11 IV of the Cranston-Gonzalez National Af-
12 fordable Housing Act, or under this section
13 for the provision of technical assistance
14 under this section.

15 “(ii) ~~SOURCE OF FUNDS.~~—Recipients
16 of technical assistance funding under the
17 Emergency Low Income Housing Preserva-
18 tion Act of 1987, the Low-Income Housing
19 Preservation and Resident Homeownership
20 Act of 1990, subtitle B of title IV of the
21 Cranston-Gonzalez National Affordable
22 Housing Act, or under this section shall be
23 permitted to provide technical assistance to
24 the extent of such funding under any of

1 such programs or under this section, not-
2 withstanding the source of funding.

3 “(j) RIGHT OF FIRST REFUSAL.—

4 “(1) PROCEDURE.—

5 “(A) NOTIFICATION BY SECRETARY OF
6 THE ACQUISITION OF TITLE.—Not later than
7 30 days after acquiring title to a project, the
8 Secretary shall notify the unit of general local
9 government and the State agency or agencies
10 designated by the Governor of the acquisition of
11 such title.

12 “(B) EXPRESSION OF INTEREST.—Not
13 later than 45 days after receiving notification
14 from the Secretary under subparagraph (A),
15 the unit of general local government or des-
16 ignated State agency may submit to the Sec-
17 retary a preliminary expression of interest in
18 the project. The Secretary may take such ac-
19 tions as may be necessary to require the unit of
20 general local government or designated State
21 agency to substantiate such interest.

22 “(C) TIMELY EXPRESSION OF INTER-
23 EST.—If the unit of general local government or
24 designated State agency has expressed interest
25 in the project before the expiration of the 45-

1 day period referred to in subparagraph (B), and
2 has substantiated such interest if requested, the
3 Secretary, upon approval of a disposition plan
4 for a project, shall notify the unit of general
5 local government and designated State agency
6 of the terms and conditions of the disposition
7 plan and give the unit of general local govern-
8 ment or designated State agency not more than
9 90 days after the date of such notification to
10 make an offer to purchase the project.

11 “(D) NO TIMELY EXPRESSION OF INTER-
12 EST.—If the unit of general local government or
13 designated State agency does not express inter-
14 est before the expiration of the 45-day period
15 referred to in subparagraph (B), or does not
16 substantiate an expressed interest if requested,
17 the Secretary, upon approval of a disposition
18 plan, may offer the project for sale to any inter-
19 ested person or entity.

20 “(2) ACCEPTANCE OF OFFERS.—Where the
21 Secretary has given the unit of general local govern-
22 ment or designated State agency 90 days to make
23 an offer to purchase the project, the Secretary shall
24 accept an offer that complies with the terms and
25 conditions of the disposition plan. The Secretary

1 may accept an offer that does not comply with the
2 terms and conditions of the disposition plan if the
3 Secretary determines that the offer will further the
4 goals specified in subsection (a) by actions that in-
5 clude extension of the duration of low-income afford-
6 ability restrictions or otherwise restructuring the
7 transaction in a manner that enhances the long-term
8 affordability for low-income persons. The Secretary
9 shall, in particular, have discretion to reduce the ini-
10 tial sales price in exchange for the extension of low-
11 income affordability restrictions beyond the period of
12 assistance contemplated by the attachment of assist-
13 ance pursuant to subsection (e). If the Secretary and
14 the unit of general local government or designated
15 State agency cannot reach agreement within 90
16 days, the Secretary may offer the project for sale to
17 the general public.

18 ~~“(3) PURCHASE BY UNIT OF GENERAL LOCAL~~
19 ~~GOVERNMENT OR DESIGNATED STATE AGENCY.—~~
20 Notwithstanding any other provision of law, a unit
21 of general local government (including a public hous-
22 ing agency) or designated State agency may pur-
23 chase a subsidized or formerly subsidized project in
24 accordance with this subsection.

1 “(4) APPLICABILITY.—This subsection shall
2 apply to projects that are acquired on or after the
3 effective date of this subsection. With respect to
4 projects acquired before such effective date, the Sec-
5 retary may apply—

6 “(A) the requirements of paragraphs (2)
7 and (3) of section 203(e) as such paragraphs
8 existed immediately before the effective date of
9 this subsection; or

10 “(B) the requirements of paragraphs (1)
11 and (2) of this subsection, if the Secretary gives
12 the unit of general local government or des-
13 ignated State agency—

14 “(i) 45 days to express interest in the
15 project; and

16 “(ii) if the unit of general local gov-
17 ernment or designated State agency ex-
18 presses interest in the project before the
19 expiration of the 45-day period, and sub-
20 stantiates such interest if requested, 90
21 days from the date of notification of the
22 terms and conditions of the disposition
23 plan to make an offer to purchase the
24 project.

1 “(k) DISPLACEMENT OF TENANTS AND RELOCATION
2 ASSISTANCE.—

3 “(1) IN GENERAL.—Whenever tenants will be
4 displaced as a result of the disposition of, or repairs
5 to, a multifamily housing project that is owned by
6 the Secretary (or for which the Secretary is mortga-
7 gagee in possession), the Secretary shall identify ten-
8 ants who will be displaced, and shall notify all such
9 tenants of their pending displacement and of any re-
10 location assistance which may be available. In the
11 case of a multifamily housing project that is not
12 owned by the Secretary (and for which the Secretary
13 is not mortgagee in possession), the Secretary shall
14 require the owner of the project to carry out the re-
15 quirements of this paragraph.

16 “(2) RIGHTS OF DISPLACED TENANTS.—The
17 Secretary shall assure for any such tenant (who con-
18 tinues to meet applicable qualification standards)
19 the right—

20 “(A) to return, whenever possible, to a re-
21 paired unit;

22 “(B) to occupy a unit in another multifam-
23 ily housing project owned by the Secretary;

24 “(C) to obtain housing assistance under
25 the United States Housing Act of 1937; or

1 “(D) to receive any other available reloca-
2 tion assistance as the Secretary determines to
3 be appropriate.

4 ~~“(I) MORTGAGE AND PROJECT SALES.—~~

5 ~~“(1) IN GENERAL.—~~The Secretary may not ap-
6 prove the sale of any loan or mortgage held by the
7 Secretary (including any loan or mortgage owned by
8 the Government National Mortgage Association) on
9 any subsidized project or formerly subsidized
10 project, unless such sale is made as part of a trans-
11 action that will ensure that such project will con-
12 tinue to operate at least until the maturity date of
13 such loan or mortgage, in a manner that will provide
14 rental housing on terms at least as advantageous to
15 existing and future tenants as the terms required by
16 the program under which the loan or mortgage was
17 made or insured prior to the assignment of the loan
18 or mortgage on such project to the Secretary.

19 ~~“(2) SALE OF CERTAIN PROJECTS.—~~The Sec-
20 retary may not approve the sale of any subsidized
21 project—

22 ~~“(A) that is subject to a mortgage held by~~
23 the Secretary; or

24 ~~“(B) if the sale transaction involves the~~
25 provision of any additional subsidy funds by the

1 Secretary or a recasting of the mortgage, unless
2 such sale is made as part of a transaction that
3 will ensure that such project will continue to
4 operate at least until the maturity date of the
5 loan or mortgage, in a manner that will provide
6 rental housing on terms at least as advan-
7 tageous to existing and future tenants as the
8 terms required by the program under which the
9 loan or mortgage was made or insured prior to
10 the proposed sale of the project.

11 ~~“(3) MORTGAGE SALES TO STATE AND LOCAL~~
12 ~~GOVERNMENTS.—~~Notwithstanding any provision of
13 law that may require competitive sales or bidding,
14 the Secretary may carry out negotiated sales of sub-
15 sidized or formerly subsidized mortgages held by the
16 Secretary, without the competitive selection of pur-
17 chasers or intermediaries, to units of general local
18 government or State agencies, or groups of investors
19 that include at least one such unit of general local
20 government or State agency, if the negotiations are
21 conducted with such agencies, except that—

22 ~~“(A) the terms of any such sale shall in-~~
23 ~~clude the agreement of the purchasing agency~~
24 ~~or unit of local government or State agency to~~
25 ~~act as mortgagee or owner of a beneficial inter-~~

1 est in such mortgages, in a manner consistent
2 with maintaining the projects that are subject
3 to such mortgages for occupancy by the general
4 tenant group intended to be served by the appli-
5 cable mortgage insurance program, including,
6 to the extent the Secretary determines appro-
7 priate, authorizing such unit of local govern-
8 ment or State agency to enforce the provisions
9 of any regulatory agreement or other program
10 requirements applicable to the related projects;
11 and

12 “(B) the sales prices for such mortgages
13 shall be, in the determination of the Secretary,
14 the best prices that may be obtained for such
15 mortgages from a unit of general local govern-
16 ment or State agency, consistent with the ex-
17 pectation and intention that the projects fi-
18 nanced will be retained for use under the appli-
19 cable mortgage insurance program for the life
20 of the initial mortgage insurance contract.

21 “(4) SALE OF MORTGAGES COVERING
22 UNSUBSIDIZED PROJECTS.—Notwithstanding any
23 other provision of law, the Secretary may sell mort-
24 gages held on unsubsidized projects on such terms
25 and conditions as the Secretary may prescribe.

1 “(m) REPORT TO CONGRESS.—Not later than June
2 1 of each year, the Secretary shall submit to the Commit-
3 tee on Banking, Housing, and Urban Affairs of the Senate
4 and the Committee on Banking, Finance and Urban Af-
5 fairs of the House of Representatives, a report describing
6 the status of multifamily housing projects owned by or
7 subject to mortgages held by the Secretary, which report
8 shall include—

9 “(1) the name, address, and size of each
10 project;

11 “(2) the nature and date of assignment;

12 “(3) the status of the mortgage;

13 “(4) the physical condition of the project;

14 “(5) an occupancy profile of the project, includ-
15 ing the income, family size, and race of current resi-
16 dents as well as the rents paid by such residents;

17 “(6) the proportion of units in a project that
18 are vacant;

19 “(7) the date on which the Secretary became
20 mortgagee in possession;

21 “(8) the date and conditions of any foreclosure
22 sale;

23 “(9) the date of acquisition by the Secretary;

24 “(10) the date and conditions of any property
25 disposition sale;

1 “(11) a description of actions undertaken pur-
2 suant to this section, including—

3 “(A) a comparison of results between ac-
4 tions taken after enactment of the Housing and
5 Community Development Act of 1993 and ac-
6 tions taken in years prior to such enactment;

7 “(B) a description of any impediments to
8 the disposition or management of multifamily
9 housing projects, together with a recommenda-
10 tion of proposed legislative or regulatory
11 changes designed to ameliorate such impedi-
12 ments;

13 “(C) a description of actions taken to re-
14 structure or commence foreclosure on delin-
15 quent multifamily mortgages held by the De-
16 partment; and

17 “(D) a description of actions taken to
18 monitor and prevent the default of multifamily
19 housing mortgages held by the Federal Housing
20 Administration;

21 “(12) a description of any of the functions per-
22 formed in connection with this section that are con-
23 tracted out to public or private entities or to States,
24 including—

1 “(A) the costs associated with such delega-
2 tion;

3 “(B) the implications of contracting out or
4 delegating such functions for current Depart-
5 ment field or regional personnel, including an-
6 ticipated personnel or work load reductions;

7 “(C) necessary oversight required by De-
8 partment personnel, including anticipated per-
9 sonnel hours devoted to such oversight;

10 “(D) a description of any authority grant-
11 ed to such public or private entities or States
12 in conjunction with the functions that have
13 been delegated or contracted out or that are not
14 otherwise available for use by Department per-
15 sonnel; and

16 “(E) the extent to which such public or
17 private entities or States include tenants of
18 multifamily housing projects in the disposition
19 planning for such projects;

20 “(13) a description of the activities carried out
21 under subsection (j) during the preceding year; and

22 “(14) a description and assessment of the rules,
23 guidelines, and practices governing the Department’s
24 management of multifamily housing projects that
25 are owned by the Secretary (or for which the Sec-

1 retary is mortgagee in possession) as well as the
 2 steps that the Secretary has taken or plans to take
 3 to improve the management performance of the De-
 4 partment.”.

5 (c) EFFECTIVE DATE.—The Secretary shall, by no-
 6 tice published in the Federal Register, which shall take
 7 effect upon publication, establish such requirements as
 8 may be necessary to implement the amendments made by
 9 this section. The notice shall invite public comments, and
 10 the Secretary shall issue final regulations based on the ini-
 11 tial notice, taking into account any public comments re-
 12 ceived.

13 **Subtitle B—Merger of the** 14 **Certificate and Voucher Programs**

15 **SEC. 6101. MERGER OF CERTIFICATE AND VOUCHER PRO-** 16 **GRAMS.**

17 The United States Housing Act of 1937 is amended
 18 as provided in subsections (a) through (d) of this section.

19 (a) MERGER OF CERTIFICATE AND VOUCHER PRO-
 20 GRAMS.—Section 8(o) is amended to read as follows:

21 “(o) CERTIFICATE PROGRAM.—(1) The Secretary
 22 may provide assistance for tenant-based assistance using
 23 a payment standard in accordance with this subsection.
 24 The payment standard shall be used to determine the
 25 monthly assistance which may be paid for any family, as

1 provided in paragraph (2) of this subsection, and shall not
2 exceed the fair market rental established under subsection
3 (c). However, the payment standard for a designated part
4 of the market area may exceed the fair market rental by
5 not more than 20 percent where the Secretary determines
6 that higher market rents in a designated part of the mar-
7 ket area justify a higher payment standard. The Secretary
8 may require an agency to submit proposed payment stand-
9 ards to the Secretary for approval.

10 “(2)(A) For a family receiving tenant-based assist-
11 ance, where the rent (including the amount allowed for
12 tenant-paid utilities) does not exceed the payment stand-
13 ard, the monthly assistance payment shall be the amount
14 by which the rent exceeds the highest of the following
15 amounts, rounded to the nearest dollar:

16 “(i) 30 percent of the family’s monthly adjusted
17 income;

18 “(ii) 10 percent of the family’s monthly income;

19 or

20 “(iii) if the family is receiving payments for
21 welfare assistance from a public agency and a part
22 of such payments, adjusted in accordance with the
23 family’s actual housing costs, is specifically des-
24 ignated by such agency to meet the family’s housing

1 costs, the portion of such payments which is so des-
2 ignated.

3 ~~“(B) For a family receiving tenant-based assistance,~~
4 ~~where the rent (including the amount allowed for tenant-~~
5 ~~paid utilities) exceeds the payment standard, the monthly~~
6 ~~assistance payment shall be the amount by which the ap-~~
7 ~~plicable payment standard exceeds the highest of the fol-~~
8 ~~lowing amounts, rounded to the nearest dollar:~~

9 ~~“(i) 30 percent of the family’s monthly adjusted~~
10 ~~income;~~

11 ~~“(ii) 10 percent of the family’s monthly income;~~

12 ~~or~~

13 ~~“(iii) if the family is receiving payments for~~
14 ~~welfare assistance from a public agency and a part~~
15 ~~of such payments, adjusted in accordance with the~~
16 ~~family’s actual housing costs, is specifically des-~~
17 ~~ignated by such agency to meet the family’s housing~~
18 ~~costs, the portion of such payments which is so des-~~
19 ~~ignated.~~

20 ~~“(C) For a family receiving project-based assistance,~~
21 ~~the rent the family is required to pay shall be determined~~
22 ~~in accordance with section 3(a)(1) and the amount of the~~
23 ~~housing assistance payment shall be determined in accord-~~
24 ~~ance with subsection (c)(3).~~

1 “(3) At the time a family initially receives tenant-
2 based assistance with respect to any unit, the total amount
3 a family may pay towards rent may not exceed 45 percent
4 of the family’s monthly adjusted income.

5 “(4) At the time a family initially receives assistance
6 under the certificate program, a family shall qualify as—

7 “(A) a very low-income family;

8 “(B) a family previously assisted under this
9 Act; or

10 “(C) a low-income family that meets eligibility
11 criteria specified by the Secretary.

12 “(5) Reviews of family income shall be made at least
13 annually.

14 “(6)(A) In selecting families to be assisted, pref-
15 erence shall be given to families which, at the time they
16 are seeking assistance, (i) occupy substandard housing
17 (including families that are homeless or living in a shelter
18 for homeless families), (ii) are involuntarily displaced, or
19 (iii) are paying more than 50 percent of family income
20 for rent; except that any family otherwise eligible for as-
21 sistance under this section may not be denied preference
22 for tenant-based assistance (or delayed or otherwise ad-
23 versely affected in the provision of such assistance) solely
24 because the family resides in public housing.

1 “(B) A public housing agency may provide for cir-
2 cumstances in which families who do not qualify for any
3 preference established in subparagraph (A) are provided
4 assistance under this subsection before families who do
5 qualify for such preference. However, not more than 10
6 percent in the case of tenant-based assistance and not
7 more than 30 percent in the case of project-based assist-
8 ance (or such higher percentage, in either case, deter-
9 mined by the Secretary to be necessary) of the families
10 who initially receive assistance in any 1-year period may
11 be families who do not qualify for such preference. The
12 public housing agency shall, in implementing the preced-
13 ing sentence, establish a system of preferences in writing
14 and after public hearing to respond to local housing needs
15 and priorities which may include—

16 “(i) assisting very low-income families who ei-
17 ther reside in transitional housing assisted under
18 title IV of the Stewart B. McKinney Homeless As-
19 sistance Act, or participate in a program designed to
20 provide public assistance recipients with greater ac-
21 cess to employment and educational opportunities;

22 “(ii) assisting families identified by local public
23 agencies involved in providing for the welfare of chil-
24 dren as having a lack of adequate housing that is a
25 primary factor in the imminent placement of a child

1 in foster care, or in preventing the discharge of a
2 child from foster care and reunification with his or
3 her family;

4 “(iii) assisting youth, upon discharge from fos-
5 ter care, in cases in which return to the family or
6 extended family or adoption is not available;

7 “(iv) assisting veterans who will use the assist-
8 ance for a dwelling unit designed for the handi-
9 capped, and upon discharge or eligibility for dis-
10 charge from a hospital or nursing home, have a
11 physical disability which, because of the configura-
12 tion of their homes, prevents them from access to or
13 use of their homes; and

14 “(v) achieving other objectives of national hous-
15 ing policy as affirmed by Congress.

16 “(C) Any individual or family evicted from housing
17 assisted under the Act by reason of drug-related criminal
18 activity (as defined in subsection (f)(5)) shall not be eligi-
19 ble for a preference under any provision of this subpara-
20 graph for 3 years unless the evicted tenant successfully
21 completes a rehabilitation program approved by the Sec-
22 retary (which shall include waiver for any member of a
23 family of an individual prohibited from tenancy under this
24 clause who the agency determines clearly did not partici-

1 pate in and had no knowledge of such criminal activity
2 or when circumstances leading to eviction no longer exist).

3 ~~“(7) The Secretary shall require, for any unit, that—~~

4 ~~“(A) the public housing agency inspect the unit~~
5 ~~before any assistance payment may be made to de-~~
6 ~~termine that the unit meets housing quality stand-~~
7 ~~ards for decent, safe, and sanitary housing estab-~~
8 ~~lished by the Secretary for the purpose of this sec-~~
9 ~~tion; and~~

10 ~~“(B) the public housing agency make annual or~~
11 ~~more frequent inspections during the contract term.~~

12 ~~No assistance payment may be made for a dwelling unit~~
13 ~~which fails to meet such quality standards, unless any~~
14 ~~such failure is promptly corrected by the owner and the~~
15 ~~correction is verified by the public housing agency.~~

16 ~~“(8) If a family vacates a dwelling unit, no assistance~~
17 ~~payment may be made for the unit after the month during~~
18 ~~which the unit was vacated.~~

19 ~~“(9) A public housing agency may adjust its payment~~
20 ~~standard under this subsection where necessary to assure~~
21 ~~continued affordability for families receiving tenant-based~~
22 ~~assistance.~~

23 ~~“(10) The Secretary may set aside up to 5 percent~~
24 ~~of the budget authority available under this subsection as~~
25 ~~an adjustment pool. The Secretary shall use amounts in~~

1 the adjustment pool for adjustments pursuant to para-
2 graph (9) to ensure continued affordability where the Sec-
3 retary determines additional assistance for this purpose is
4 necessary, based on documentation submitted by a public
5 housing agency.

6 ~~“(11)(A) The rent for units assisted under this sub-~~
7 ~~section shall be reasonable in comparison with rents~~
8 ~~charged for comparable units in the private unassisted~~
9 ~~market.~~

10 ~~“(B) A public housing agency shall, at the request~~
11 ~~of a family receiving tenant-based assistance under this~~
12 ~~subsection, assist such family in negotiating a reasonable~~
13 ~~rent with an owner. A public housing agency shall review~~
14 ~~the rent for a unit under consideration by the family (and~~
15 ~~all rent increases for units under lease by the family) to~~
16 ~~determine whether the rent (or rent increase) requested~~
17 ~~by an owner is reasonable. If a public housing agency de-~~
18 ~~termines that the rent (or rent increase) for a unit is not~~
19 ~~reasonable, the agency shall disapprove a lease for such~~
20 ~~unit.~~

21 ~~“(C) If units assisted under this subsection are ex-~~
22 ~~empt from local rent control while they are so assisted,~~
23 ~~the rent for such units shall be reasonable in comparison~~
24 ~~with other units in the market area that are exempt from~~
25 ~~local rent control.~~

1 ~~“(12)(A) A public housing agency may make assist-~~
2 ~~ance payments on behalf of a family which utilizes a man-~~
3 ~~ufactured home as its principal place of residence. Such~~
4 ~~payments may be made for the rental of the real property~~
5 ~~on which there is located a manufactured home which is~~
6 ~~owned by any such family.~~

7 ~~“(B)(i) For assistance pursuant to this paragraph,~~
8 ~~the rent for the space on which a manufactured home is~~
9 ~~located and with respect to which assistance payments are~~
10 ~~to be made includes maintenance and management~~
11 ~~charges and tenant-paid utilities.~~

12 ~~“(ii) The public housing agency shall establish a pay-~~
13 ~~ment standard for the purpose of determining the monthly~~
14 ~~assistance which may be paid for any family under this~~
15 ~~paragraph. The payment standard may not exceed an~~
16 ~~amount approved or established by the Secretary.~~

17 ~~“(iii) The monthly assistance payment for assistance~~
18 ~~under this paragraph shall be determined in accordance~~
19 ~~with paragraph (2).~~

20 ~~“(13)(A) Where the Secretary enters into an annual~~
21 ~~contributions contract with a public housing agency pursu-~~
22 ~~ant to which the agency will enter into a contract for as-~~
23 ~~sistance payments with respect to an existing structure~~
24 ~~under this subsection, the contract for assistance pay-~~
25 ~~ments may not be attached to the structure unless the~~

1 owner agrees to rehabilitate or newly construct the struc-
2 ture other than with assistance under this Act and other-
3 wise complies with the requirements of this section. The
4 public housing agency may approve such attachment for
5 up to 15 percent of the funding available for tenant-based
6 assistance administered by the agency under this section.

7 “(B) Notwithstanding any other provision of this sec-
8 tion, a public housing agency and an applicable State
9 agency may, on a priority basis, attach to structures not
10 more than an additional 15 percent of the assistance only
11 with respect to projects assisted under a State program
12 that permits the owner of the projects to prepay a State-
13 assisted or State-subsidized mortgage on the structure.
14 However, the attachment of assistance under this sub-
15 paragraph shall be for the purpose of—

16 “(i) providing incentives to owners to preserve
17 such projects for occupancy by low- and moderate-
18 income families (for the period that assistance under
19 this sentence is available); and

20 “(ii) to assist low-income families to afford any
21 increases in rent that may be required to induce the
22 owner to maintain occupancy in the project by low-
23 and moderate-income families.

24 “(C) Any assistance provided to low-income families
25 under subparagraph (B) shall not be considered for pur-

1 poses of the limitation under paragraph (6) regarding the
2 percentage of families that may receive assistance under
3 this section who do not qualify for preferences under that
4 paragraph.

5 “(D) In the case of a contract for assistance pay-
6 ments that is attached to a structure under this para-
7 graph, a public housing agency shall enter into a contract
8 with an owner, contingent upon the future availability of
9 appropriations for the purpose of renewing expiring con-
10 tracts for assistance payments as provided in appropria-
11 tions Acts, to extend the term of the underlying contract
12 for assistance payments for such period or periods as the
13 Secretary determines to be appropriate to achieve long-
14 term affordability of the housing. The contract shall obli-
15 gate the owner to have such extensions of the underlying
16 contract for assistance payments accepted by the owner
17 and the owner’s successors in interest. To the extent as-
18 sistance is used as provided in the second sentence of sub-
19 paragraph (B), the contract for assistance may, at the op-
20 tion of the public housing agency, have an initial term not
21 exceeding 15 years.

22 “(E) The Secretary shall annually survey public
23 housing agencies to determine which public housing agen-
24 cies have, in providing assistance in such year, reached
25 the 15 percent limitations contained in subparagraphs (A)

1 and (B), and shall report to the Congress on the results
2 of the survey.

3 “(F) For project-based assistance under this para-
4 graph, assistance contracts shall establish rents, and pro-
5 vide for rent adjustments, in accordance with subsection
6 (c).

7 “(14) A family may lease a unit, other than a public
8 housing unit, from the public housing agency with assist-
9 ance under this subsection. The Secretary may establish
10 appropriate program requirements for units owned by the
11 public housing agency, including requirements for HUD
12 approval of initial rents, rent adjustments, and adminis-
13 trative fees, taking into account that the agency admin-
14 istering the assistance is also the owner of the assisted
15 unit.

16 “(15) Subsection (c) shall not apply to tenant-based
17 assistance under this subsection, except that subsections
18 (c)(9) and (c)(10) shall apply.”.

19 (b) PORTABILITY.—Section 8(r) is amended—

20 (1) in each of paragraphs (1) and (3), by strik-
21 ing “subsection (b) or”;

22 (2) in paragraph (3), by inserting at the end
23 the following new sentence: “The Secretary may re-
24 serve amounts available for assistance under sub-
25 section (o) to compensate public housing agencies

1 which issue certificates to families that move into
 2 the jurisdiction of the agency under portability pro-
 3 cedures.”; and

4 (3) by adding the following new paragraph at
 5 the end:

6 “(5) A family may not receive a certificate from
 7 an agency and move to another jurisdiction under
 8 the tenant-based assistance program, if the family
 9 has moved out of its assisted unit in violation of its
 10 lease.”.

11 (c) HOMEOWNERSHIP OPTION.—Section 8(y) is
 12 amended—

13 (1) in paragraph (1)(A), by inserting before the
 14 semicolon “or owns or is acquiring shares in a coop-
 15 erative”;

16 (2) in paragraph (1)(B)(i), by inserting before
 17 the semicolon “and demonstrates to the public hous-
 18 ing agency that it has sufficient resources for home-
 19 ownership”; and

20 (3) by amending paragraph (2)(A) to read as
 21 follows:

22 “(A) DETERMINATION OF AMOUNT OF AS-
 23 SISTANCE.—

24 “(i) Where the monthly homeowner-
 25 ship expenses, as determined in accordance

1 with requirements established by the Sec-
2 retary, do not exceed the payment stand-
3 ard, the monthly assistance payment shall
4 be the amount by which the homeowner-
5 ship expenses exceed the highest of the fol-
6 lowing amounts, rounded to the nearest
7 dollar:

8 “(I) 30 percent of the family’s
9 monthly adjusted income;

10 “(II) 10 percent of the family’s
11 monthly income; or

12 “(III) if the family is receiving
13 payments for welfare assistance from
14 a public agency and a part of such
15 payments, adjusted in accordance with
16 the family’s actual housing costs, is
17 specifically designated by such agency
18 to meet the family’s housing costs, the
19 portion of such payments which is so
20 designated.

21 “(ii) Where the monthly homeowner-
22 ship expenses, as determined in accordance
23 with requirements established by the Sec-
24 retary, exceed the payment standard, the
25 monthly assistance payment shall be the

1 amount by which the applicable payment
 2 standard exceeds the highest of the follow-
 3 ing amounts, rounded to the nearest dollar:

4 “(I) 30 percent of the family’s
 5 monthly adjusted income;

6 “(II) 10 percent of the family’s
 7 monthly income; or

8 “(III) if the family is receiving
 9 payments for welfare assistance from
 10 a public agency and a part of such
 11 payments, adjusted in accordance with
 12 the family’s actual housing costs, is
 13 specifically designated by such agency
 14 to meet the family’s housing costs, the
 15 portion of such payments which is so
 16 designated.”.

17 ~~(d) TECHNICAL AND CONFORMING AMENDMENTS TO~~
 18 ~~THE 1937 ACT; DELETION OF OBSOLETE PROVISIONS.—~~

19 (1) The second and third sentences of section
 20 8(a) are hereby repealed.

21 (2) Section 8(b) is amended by—

22 (A) striking “RENTAL CERTIFICATES AND
 23 OTHER EXISTING HOUSING PROGRAMS.—” and
 24 inserting “CERTIFICATES AND OTHER EXIST-
 25 ING HOUSING PROGRAMS.—(1)’”; and

1 ~~(B)~~ striking the second sentence.

2 ~~(3)~~ Section 8(c)(3) is amended by striking the
3 subparagraph designation “~~(A)~~” and striking all of
4 subparagraph ~~(B)~~.

5 ~~(4)~~ The first sentence of section 8(c)(4) is
6 amended by striking “or by a family that qualifies
7 to receive” and all that follows through “1990”.

8 ~~(5)~~ Sections 8(c) ~~(5)~~ and ~~(7)~~ are hereby re-
9 pealed.

10 ~~(6)~~ Section 8(c)(8) is amended by inserting
11 after “section” the following: “(other than a con-
12 tract under section 8(o)(13))”.

13 ~~(7)~~ Section 8(d)(1)(A) is amended—

14 ~~(A)~~ by inserting after the subparagraph
15 designation “~~(A)~~” the following: “except for as-
16 sistance under subsection ~~(o)~~,”;

17 ~~(B)~~ in clause (i) by striking “~~(I)~~”;

18 ~~(C)~~ in clause (i), by striking “and ~~(II)~~ 90
19 percent of such families in the case of assist-
20 ance not attached to a structure”; and

21 ~~(D)~~ in clause (i), by striking “except” and
22 all that follows through the semicolon at the
23 end.

1 ~~(8)~~ Section 8(d)(2) is amended by striking the
2 third sentence of subparagraph (A) and all that fol-
3 lows through the end of paragraph (2).

4 ~~(9)~~ Section 8(f) is amended by—

5 (A) in paragraph (6), striking “(d)(2)”
6 and inserting “(o)(13)”; and

7 (B) in paragraph (7), striking “(b) or”
8 and inserting before the period the following:
9 “and that provides for the eligible family to se-
10 lect suitable housing and to move to other suit-
11 able housing”.

12 ~~(10)~~ Section 8(j) is hereby repealed.

13 ~~(11)~~ Section 8(n) is hereby repealed.

14 ~~(12)~~ The first sentence of section 8(q)(1) and
15 sections 8(q)(2)(A)(i) and 8(q)(2)(B) are each
16 amended by striking “subsections (b) and (o)” and
17 inserting “this section”.

18 ~~(13)~~ Section 18(b)(3) is amended—

19 (A) in subparagraph (A)(v), by striking
20 “(excluding vouchers under section 8(o))” each
21 place it appears;

22 (B) in subparagraph (B), by striking
23 “8(d)(2)(A)” and inserting “8(o)(13)”; and

24 (C) in subparagraph (B)(ii), by striking
25 “(excluding vouchers under section 8(o))”; and

1 ~~(D)~~ in subparagraph ~~(C)(i)~~, by striking
2 “and vouchers”.

3 ~~(14)~~ Section 21(b)(3) is amended—

4 ~~(A)~~ in the first sentence, by striking “cer-
5 tificate under section 8(b)(1) or a housing
6 voucher under section 8(o)” and inserting “ten-
7 ant-based assistance under section 8”; and

8 ~~(B)~~ by striking the second sentence.

9 ~~(15)~~ Section 23(b)(3)(A) is amended by strik-
10 ing “Certificate and voucher assistance under sec-
11 tion 8 (b) and (o)” and inserting “Tenant-based as-
12 sistance under section 8”.

13 ~~(e) OTHER TECHNICAL AND CONFORMING AMEND-~~
14 ~~MENTS.—~~

15 ~~(1)~~ Section 931 of the Cranston-Gonzalez Na-
16 tional Affordable Housing Act is amended by strik-
17 ing “assistance under the certificate and voucher
18 programs under sections 8 (b) and (o)” and insert-
19 ing “tenant-based assistance under section 8”.

20 ~~(2)~~ Section 861(b)(1)(D) of the Cranston-Gon-
21 zalez National Affordable Housing Act is amended
22 by striking “certificates or vouchers” and inserting
23 “assistance”.

1 (3) Section 183(c)(2) of the Housing and Com-
2 munity Development Act of 1987 is amended by
3 striking “section 8(o)” and inserting “section 8”.

4 (4) Section 223(a) of the Housing and Commu-
5 nity Development Act of 1987 is amended by strik-
6 ing “sections 8(b) and 8(o)” and inserting “section
7 8”.

8 (5) The second sentence of section 533(a) of
9 the Housing Act of 1949 is amended by striking
10 “assistance payments as provided by section 8(o)”
11 and inserting “tenant-based assistance as provided
12 under section 8”.

13 (f) IMPLEMENTATION.—The amendments made by
14 this section shall take effect upon the date specified in
15 a regulation or notice published by the Secretary in the
16 Federal Register. The Secretary may provide for the con-
17 version of assistance under the certificate and voucher
18 programs, as they existed before the effective date of the
19 amendments made by this section, to the certificate pro-
20 gram established under this section. However, the Sec-
21 retary may continue to apply the provisions of the United
22 States Housing Act of 1937 and other statutes amended
23 by this section, as they existed immediately before such
24 effective date, to assistance obligated by the Secretary be-
25 fore such effective date for the certificate or voucher pro-

1 gram, where necessary for simplification of program ad-
 2 ministration, avoidance of hardship, or other good cause.

3 **Subtitle C—Streamline HUD**

4 **SEC. 6201. HUD STREAMLINING.**

5 The Secretary of Housing and Urban Development
 6 shall carry out the recommendation of the Report of the
 7 National Performance Review, issued on September 7,
 8 1993, that the Department streamline its headquarters,
 9 regional, and field office structure and consolidate and re-
 10 duce its size, without regard to the requirements of section
 11 7(p) of the Department of Housing and Urban Develop-
 12 ment Act.

13 **Subtitle D—Refinance Section 235** 14 **Mortgages**

15 **SEC. 6301. SECTION 235 MORTGAGE REFINANCING.**

16 Section 235(r) of the National Housing Act is
 17 amended—

18 (1) in paragraph (2)(C), by inserting after “re-
 19 financed” the following: “, plus the costs incurred in
 20 connection with the refinancing as described in para-
 21 graph (4)(B) to the extent that the amount for those
 22 costs is not otherwise included in the interest rate
 23 as permitted by subparagraph (E) or paid by the
 24 Secretary as authorized by paragraph (4)(B)”;

25 (2) in paragraph (4)—

1 (A) by inserting after “otherwise)” the fol-
2 lowing: “and the mortgagee with respect to the
3 amount described in paragraph (A)”;

4 (B) in subparagraph (A), by inserting after
5 “mortgagor” the following: “and the mortga-
6 gee”;

7 (3) by revising paragraph (5) to read as follows:

8 “(5) The Secretary shall use amounts of budget
9 authority recaptured from assistance payments con-
10 tracts relating to mortgages that are being refi-
11 nanced for assistance payments contracts with re-
12 spect to mortgages insured under this subsection.
13 The Secretary may also make such recaptured
14 amounts available for incentives under paragraph
15 (4)(A) and the costs incurred in connection with the
16 refinancing under paragraph (4)(B). For purposes
17 of subsection (c)(3)(A), the amount of recaptured
18 budget authority that the Secretary commits for as-
19 sistance payments contracts relating to mortgages
20 insured under this subsection and for amounts paid
21 under paragraph (4) shall not be construed as ‘un-
22 used.’”

1 **Subtitle E—Section 8 Rents for**
 2 **New Construction and Rehabili-**
 3 **tation Projects**

4 **SEC. 6401. SECTION 8 RENTS FOR NEW CONSTRUCTION AND**
 5 **REHABILITATION PROJECTS.**

6 Notwithstanding any other provision of law, the max-
 7 imum monthly contract rents for new construction and
 8 substantial rehabilitation projects under section 8 of the
 9 United States Housing Act of 1937 shall not be adjusted
 10 as provided under section 8(c)(2)(A) for 1 year after the
 11 date of enactment of this Act.

12 **TITLE VI—DEPARTMENT OF**
 13 **HOUSING AND URBAN DEVEL-**
 14 **OPMENT**

15 **SEC. 6001. MULTIFAMILY PROPERTY DISPOSITION.**

16 (a) *FINDINGS.*—The Congress finds that—

17 (1) *the portfolio of multifamily housing project*
 18 *mortgages insured by the FHA is severely troubled*
 19 *and at risk of default, requiring the Secretary to in-*
 20 *crease loss reserves from \$5,500,000,000 in 1991 to*
 21 *\$11,900,000,000 in 1992 to cover estimated future*
 22 *losses;*

23 (2) *the inventory of multifamily housing projects*
 24 *owned by the Secretary has more than tripled since*

1 1989, and, by the end of 1993, may exceed 75,000
2 units;

3 (3) the cost to the Federal Government of owning
4 and maintaining multifamily housing projects esca-
5 lated to approximately \$250,000,000 in fiscal year
6 1992;

7 (4) the inventory of multifamily housing projects
8 subject to mortgages held by the Secretary has in-
9 creased dramatically, to more than 2,400 mortgages,
10 and approximately half of these mortgages, with over
11 230,000 units, are delinquent;

12 (5) the inventory of insured and formerly in-
13 sured multifamily housing projects is rapidly deterio-
14 rating, endangering tenants and neighborhoods;

15 (6) over 5 million families today have a critical
16 need for housing that is affordable and habitable; and

17 (7) the current statutory framework governing
18 the disposition of multifamily housing projects effec-
19 tively impedes the Government's ability to dispose of
20 properties, protect tenants, and ensure that projects
21 are maintained over time.

22 (b) *MANAGEMENT AND DISPOSITION OF MULTIFAMILY*
23 *HOUSING PROJECTS.*—Section 203 of the Housing and
24 Community Development Amendments of 1978 (12 U.S.C.
25 1701z–11) is amended to read as follows:

1 **“SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAM-**
2 **ILY HOUSING PROJECTS.**

3 “(a) *GOALS.—The Secretary of Housing and Urban*
4 *Development shall manage or dispose of multifamily hous-*
5 *ing projects that are owned by the Secretary or that are*
6 *subject to a mortgage held by the Secretary in a manner*
7 *that—*

8 “(1) *is consistent with the National Housing Act*
9 *and this section;*

10 “(2) *will protect the financial interests of the*
11 *Federal Government; and*

12 “(3) *will, in the least costly fashion among rea-*
13 *sonable available alternatives, further the goals of—*

14 “(A) *preserving housing so that it can re-*
15 *main available to and affordable by low-income*
16 *persons;*

17 “(B) *preserving and revitalizing residential*
18 *neighborhoods;*

19 “(C) *maintaining existing housing stock in*
20 *a decent, safe, and sanitary condition;*

21 “(D) *minimizing the involuntary displace-*
22 *ment of tenants;*

23 “(E) *maintaining housing for the purpose*
24 *of providing rental housing, cooperative housing,*
25 *and homeownership opportunities for low-income*
26 *persons; and*

1 “(F) *minimizing the need to demolish mul-*
2 *tifamily housing projects.*

3 *The Secretary, in determining the manner in which a*
4 *project is to be managed or disposed of, may balance com-*
5 *peting goals relating to individual projects in a manner*
6 *that will further the purposes of this section.*

7 “(b) *DEFINITIONS.—For purposes of this section:*

8 “(1) *MULTIFAMILY HOUSING PROJECT.—The*
9 *term ‘multifamily housing project’ means any multi-*
10 *family rental housing project which is, or prior to ac-*
11 *quisition by the Secretary was, assisted or insured*
12 *under the National Housing Act, or was subject to a*
13 *loan under section 202 of the Housing Act of 1959.*

14 “(2) *SUBSIDIZED PROJECT.—The term ‘sub-*
15 *sidized project’ means a multifamily housing project*
16 *that, immediately prior to the assignment of the*
17 *mortgage on such project to, or the acquisition of such*
18 *mortgage by, the Secretary, was receiving any of the*
19 *following types of assistance:*

20 “(A) *Below market interest rate mortgage*
21 *insurance under the proviso of section 221(d)(5)*
22 *of the National Housing Act.*

23 “(B) *Interest reduction payments made in*
24 *connection with mortgages insured under section*
25 *236 of the National Housing Act.*

1 “(C) Direct loans made under section 202 of
2 the Housing Act of 1959.

3 “(D) Assistance in the form of—

4 “(i) rent supplement payments under
5 section 101 of the Housing and Urban De-
6 velopment Act of 1965,

7 “(ii) additional assistance payments
8 under section 236(f)(2) of the National
9 Housing Act,

10 “(iii) housing assistance payments
11 made under section 23 of the United States
12 Housing Act of 1937 (as in effect before
13 January 1, 1975), or

14 “(iv) housing assistance payments
15 made under section 8 of the United States
16 Housing Act of 1937 (excluding payments
17 made for tenant-based assistance under sec-
18 tion 8),

19 if (except for purposes of section 183(c) of the
20 Housing and Community Development Act of
21 1987) such assistance payments are made to
22 more than 50 percent of the units in the project.

23 “(3) FORMERLY SUBSIDIZED PROJECT.—The
24 term ‘formerly subsidized project’ means a multifam-
25 ily housing project owned by the Secretary that was

1 *a subsidized project immediately prior to its acquisi-*
2 *tion by the Secretary.*

3 “(4) *UNSUBSIDIZED PROJECT.*—The term
4 ‘unsubsidized project’ means a multifamily housing
5 project owned by the Secretary that is not a sub-
6 sidized project or a formerly subsidized project.

7 “(5) *AFFORDABLE.*—A unit shall be considered
8 affordable if—

9 “(A) for units occupied—

10 “(i) by very low-income families, the
11 rent does not exceed 30 percent of 50 per-
12 cent of the area median income, as deter-
13 mined by the Secretary, with adjustments
14 for smaller and larger families, except that
15 the Secretary may establish the rent based
16 on an amount higher or lower than 50 per-
17 cent of the median for the area on the basis
18 of the Secretary’s findings that such vari-
19 ation is necessary because of prevailing lev-
20 els of construction costs or fair market
21 rents, or unusually high or low family in-
22 comes; and

23 “(ii) by low-income families other than
24 very low-income families, the rent does not
25 exceed 30 percent of 80 percent of the area

1 *median income, as determined by the Sec-*
2 *retary, except that the Secretary may estab-*
3 *lish the rent based on an amount higher or*
4 *lower than 80 percent of the median for the*
5 *area on the basis of the Secretary's findings*
6 *that such variation is necessary because of*
7 *prevailing levels of construction costs or fair*
8 *market rents, or unusually high or low fam-*
9 *ily incomes; or*

10 *“(B) the unit, or the family residing in the*
11 *unit, is receiving assistance under section 8 of*
12 *the United States Housing Act of 1937.*

13 *“(6) LOW-INCOME FAMILIES AND VERY LOW-IN-*
14 *COME FAMILIES.—The terms ‘low-income families’*
15 *and ‘very low-income families’ shall have the mean-*
16 *ings given the terms in section 3(b) of the United*
17 *States Housing Act of 1937.*

18 *“(7) PREEXISTING TENANT.—The term ‘preexist-*
19 *ing tenant’ means, with respect to a multifamily*
20 *housing project, a family that—*

21 *“(A) resides in a unit in the project; and*

22 *“(B) immediately before foreclosure or ac-*
23 *quisition of the project by the Secretary, was re-*
24 *siding in a unit in the project.*

1 “(8) *MARKET AREA*.—The term ‘market area’
2 means a market area determined by the Secretary for
3 purposes of establishing fair market rentals under sec-
4 tion 8(c) of the United States Housing Act of 1937.

5 “(9) *SECRETARY*.—The term ‘Secretary’ means
6 the Secretary of Housing and Urban Development.

7 “(c) *MANAGEMENT OR DISPOSITION OF PROPERTY*.—

8 “(1) *DISPOSITION TO PURCHASERS*.—The Sec-
9 retary may, in carrying out this section, dispose of a
10 multifamily housing project owned by the Secretary
11 on a negotiated, competitive bid, or other basis, on
12 such terms as the Secretary deems appropriate con-
13 sidering the low-income character of the project and
14 the market area in which the project is located and
15 the requirements of subsection (a), to a purchaser de-
16 termined by the Secretary to be capable of—

17 “(A) satisfying the conditions of the disposi-
18 tion;

19 “(B) implementing a sound financial and
20 physical management program that is designed
21 to enable the project to meet anticipated operat-
22 ing and repair expenses to ensure that the
23 project will remain in decent, safe, and sanitary
24 condition;

1 “(C) responding to the needs of the tenants
2 and working cooperatively with tenant organiza-
3 tions;

4 “(D) providing adequate organizational,
5 staff, and financial resources to the project; and

6 “(E) meeting such other requirements as the
7 Secretary may determine.

8 “(2) CONTRACTING FOR MANAGEMENT SERV-
9 ICES.—The Secretary may, in carrying out this sec-
10 tion—

11 “(A) contract for management services for a
12 multifamily housing project that is owned by the
13 Secretary (or for which the Secretary is mortga-
14 gee in possession), on a negotiated, competitive
15 bid, or other basis at a price determined by the
16 Secretary to be reasonable, with a manager the
17 Secretary has determined is capable of—

18 “(i) implementing a sound financial
19 and physical management program that is
20 designed to enable the project to meet an-
21 ticipated operating and maintenance ex-
22 penses to ensure that the project will remain
23 in decent, safe, and sanitary condition;

1 “(ii) responding to the needs of the ten-
2 ants and working cooperatively with tenant
3 organizations;

4 “(iii) providing adequate organiza-
5 tional, staff, and other resources to imple-
6 ment a management program determined
7 by the Secretary; and

8 “(iv) meeting such other requirements
9 as the Secretary may determine;

10 “(B) require the owner of a multifamily
11 housing project that is subject to a mortgage held
12 by the Secretary to contract for management
13 services for the project in the manner described
14 in subparagraph (A); and

15 “(C) contract for management of such prop-
16 erties with nonprofit organizations and public
17 agencies, including public housing authorities.

18 “(d) MAINTENANCE OF HOUSING PROJECTS.—

19 “(1) HOUSING PROJECTS OWNED BY THE SEC-
20 RETARY.—In the case of multifamily housing projects
21 that are owned by the Secretary (or for which the Sec-
22 retary is mortgagee in possession), the Secretary
23 shall—

1 “(A) to the greatest extent possible, main-
2 tain all such occupied projects in a decent, safe,
3 and sanitary condition;

4 “(B) to the greatest extent possible, main-
5 tain full occupancy in all such projects; and

6 “(C) maintain all such projects for purposes
7 of providing rental or cooperative housing.

8 “(2) *HOUSING PROJECTS SUBJECT TO A MORT-*
9 *GAGE HELD BY SECRETARY.*—In the case of any mul-
10 tifamily housing project that is subject to a mortgage
11 held by the Secretary, the Secretary shall require the
12 owner of the project to carry out the requirements of
13 paragraph (1).

14 “(3) *HOUSING STANDARDS.*—In disposing of any
15 multifamily housing project under this section, the
16 Secretary shall enter into an agreement with the pur-
17 chaser under which the purchaser agrees that the
18 project will be rehabilitated so that it is in compli-
19 ance with, and will be maintained in compliance
20 with, any standards under applicable State or local
21 laws, rules, ordinances, or regulations relating to the
22 physical condition of the housing and any such stand-
23 ards established by the Secretary.

24 “(e) *REQUIRED ASSISTANCE.*—In disposing of any
25 multifamily housing property under this section, the Sec-

1 *retary shall take, separately or in combination, one or more*
2 *of the following actions:*

3 “(1) *CONTRACT WITH OWNER FOR PROJECT-*
4 *BASED ASSISTANCE.—In the case of multifamily hous-*
5 *ing projects that are acquired by a purchaser other*
6 *than the Secretary at foreclosure or after sale by the*
7 *Secretary, the Secretary may enter into contracts*
8 *under section 8 of the United States Housing Act of*
9 *1937 (to the extent budget authority is available) with*
10 *owners of the projects, subject to the following require-*
11 *ments:*

12 “(A) *SUBSIDIZED OR FORMERLY SUB-*
13 *SIDIZED PROJECTS RECEIVING MORTGAGE-RE-*
14 *LATED ASSISTANCE.—In the case of a subsidized*
15 *or formerly subsidized project referred to in sub-*
16 *paragraphs (A) through (C) of subsection*
17 *(b)(2)—*

18 “(i) *the contract shall be sufficient to*
19 *assist at least all units covered by an assist-*
20 *ance contract under any of the authorities*
21 *referred to in subsection (b)(2)(D) before ac-*
22 *quisition, unless the Secretary acts pursu-*
23 *ant to the provisions of subparagraph (C);*

24 “(ii) *the contract shall provide that,*
25 *when a vacancy occurs in any unit in the*

1 *project requiring project-based rental assist-*
2 *ance pursuant to this subparagraph that is*
3 *occupied by a family who is not eligible for*
4 *assistance under such section 8, the owner*
5 *shall lease the available unit to a family eli-*
6 *gible for assistance under such section 8;*
7 *and*

8 *“(iii) the Secretary shall take actions*
9 *to ensure that any unit in any such project*
10 *that does not otherwise receive project-based*
11 *assistance under this subparagraph remains*
12 *available and affordable for the remaining*
13 *useful life of the project, as defined by the*
14 *Secretary; to carry out this clause, the Sec-*
15 *retary may require purchasers to establish*
16 *use or rent restrictions maintaining the af-*
17 *fordability of such units.*

18 *“(B) SUBSIDIZED OR FORMERLY SUB-*
19 *SIDIZED PROJECTS RECEIVING RENTAL ASSIST-*
20 *ANCE.—In the case of a subsidized or formerly*
21 *subsidized project referred to in subsection*
22 *(b)(2)(D) that is not subject to subparagraph*
23 *(A)—*

24 *“(i) the contract shall be sufficient to*
25 *assist at least all units in the project that*

1 are covered, or were covered immediately be-
2 fore foreclosure on or acquisition of the
3 project by the Secretary, by an assistance
4 contract under any of the provisions re-
5 ferred to in such subsection, unless the Sec-
6 retary acts pursuant to provisions of sub-
7 paragraph (C); and

8 “(ii) the contract shall provide that,
9 when a vacancy occurs in any unit in the
10 project requiring project-based rental assist-
11 ance pursuant to this subparagraph that is
12 occupied by a family who is not eligible for
13 assistance under such section 8, the owner
14 shall lease the available unit to a family eli-
15 gible for assistance under such section 8.

16 “(C) *EXCEPTIONS.*—In lieu of providing
17 project-based assistance under subparagraph
18 (A)(i) or (B)(i) for a project, the Secretary may
19 require certain units in unsubsidized projects to
20 contain use restrictions providing that such
21 units will be available to and affordable by very
22 low-income families for the remaining useful life
23 of the project, as defined by the Secretary, if—

24 “(i) the Secretary provides an increase
25 in project-based assistance for very low-in-

1 *come persons for units within unsubsidized*
2 *projects located within the same market*
3 *area as the project otherwise required to be*
4 *assisted with project-based assistance under*
5 *subparagraph (A) or (B) that is at least*
6 *equivalent to the units otherwise required to*
7 *be so assisted; and*

8 *“(ii) upon disposition of the project,*
9 *low-income families residing in units other-*
10 *wise required to be assisted with project-*
11 *based assistance under subparagraph (A) or*
12 *(B) receive tenant-based assistance under*
13 *such section 8.*

14 *“(D) UNSUBSIDIZED PROJECTS.—Notwith-*
15 *standing actions taken pursuant to subpara-*
16 *graph (C), in the case of unsubsidized projects,*
17 *the contract shall be sufficient to provide—*

18 *“(i) project-based rental assistance for*
19 *all units that are covered, or were covered*
20 *immediately before foreclosure or acquisi-*
21 *tion, by an assistance contract under—*

22 *“(I) the new construction and*
23 *substantial rehabilitation program*
24 *under section 8(b)(2) of the United*

1 *States Housing Act of 1937 (as in ef-*
2 *fect before October 1, 1983);*

3 *“(II) the property disposition pro-*
4 *gram under section 8(b) of such Act;*

5 *“(III) the project-based certificate*
6 *program under section 8 of such Act;*

7 *“(IV) the moderate rehabilitation*
8 *program under section 8(e)(2) of such*
9 *Act;*

10 *“(V) section 23 of such Act (as in*
11 *effect before January 1, 1975);*

12 *“(VI) the rent supplement pro-*
13 *gram under section 101 of the Housing*
14 *and Urban Development Act of 1965;*
15 *or*

16 *“(VII) section 8 of the United*
17 *States Housing Act of 1937, following*
18 *conversion from assistance under sec-*
19 *tion 101 of the Housing and Urban*
20 *Development Act of 1965; and*

21 *“(ii) tenant-based assistance under sec-*
22 *tion 8 of the United States Housing Act of*
23 *1937 for families that are preexisting ten-*
24 *ants of the project in units that, imme-*
25 *diately before foreclosure or acquisition of*

1 the project by the Secretary, were covered by
2 an assistance contract under the loan man-
3 agement set-aside program under section
4 8(b) of the United States Housing Act of
5 1937 at such time.

6 “(2) ANNUAL CONTRIBUTION CONTRACTS FOR
7 TENANT-BASED ASSISTANCE.—In the case of multi-
8 family housing projects that are acquired by a pur-
9 chaser other than the Secretary at foreclosure or after
10 sale by the Secretary, the Secretary may enter into
11 annual contribution contracts with public housing
12 agencies to provide tenant-based assistance under sec-
13 tion 8 of the United States Housing Act of 1937 on
14 behalf of all low-income families who, on the date that
15 the project is acquired by the purchaser, reside in the
16 project and are eligible for such assistance, subject to
17 the following requirements:

18 “(A) REQUIREMENT OF SUFFICIENT AF-
19 FORDABLE HOUSING IN AREA.—The Secretary
20 may not take action under this paragraph unless
21 the Secretary determines that there is available
22 in the area an adequate supply of habitable, af-
23 fordable housing for very low-income families
24 and other low-income families.

1 “(B) *LIMITATION FOR SUBSIDIZED AND*
2 *FORMERLY SUBSIDIZED PROJECTS.*—The Sec-
3 *retary may not take actions under this para-*
4 *graph in connection with units in subsidized or*
5 *formerly subsidized projects for more than 10*
6 *percent of the aggregate number of units in such*
7 *projects disposed of by the Secretary annually.*

8 “(C) *PROVISION OF PROJECT-BASED ASSIST-*
9 *ANCE UNDER CHANGED CIRCUMSTANCES.*—The
10 *Secretary shall, to the extent such amounts are*
11 *available, provide project-based assistance under*
12 *section 8 of the United States Housing Act of*
13 *1937 for any units in a project for which the*
14 *Secretary has provided tenant-based assistance*
15 *under this paragraph if, and only to the extent*
16 *that, the owner demonstrates to the satisfaction*
17 *of the Secretary within 24 months after the date*
18 *of acquisition by the owner that—*

19 “(i) *the provision of such project-based*
20 *assistance (I) is necessary to maintain the*
21 *financial viability of the project because of*
22 *changes occurring after such acquisition*
23 *that are beyond the control of the owner,*
24 *and (II) may reasonably be expected to*
25 *maintain such financial viability; or*

1 “(ii) *sufficient habitable, affordable*
2 *housing for very low-income families and*
3 *other low-income families is not available*
4 *in the market area in which the project is*
5 *located.*

6 *Assistance provided pursuant to this subpara-*
7 *graph shall have a term of not more than 5*
8 *years.*

9 “(3) *OTHER ASSISTANCE.*—

10 “(A) *IN GENERAL.*—*In accordance with the*
11 *authority provided under the National Housing*
12 *Act, the Secretary may reduce the selling price,*
13 *apply use or rent restrictions on certain units,*
14 *or provide other financial assistance to the own-*
15 *ers of multifamily housing projects that are ac-*
16 *quired by a purchaser other than the Secretary*
17 *at foreclosure, or after sale by the Secretary, on*
18 *terms that ensure that—*

19 “(i) *at least the units in the project*
20 *otherwise required to receive project-based*
21 *assistance pursuant to subparagraphs (A),*
22 *(B), or (D) of paragraph (1) are available*
23 *to and affordable by low-income persons;*
24 *and*

1 “(ii) for the remaining useful life of
 2 the project, as defined by the Secretary,
 3 there shall be in force such use or rent re-
 4 strictions as the Secretary may prescribe.

5 “(B) *VERY LOW-INCOME TENANTS.*—If, as a
 6 result of actions taken pursuant to this para-
 7 graph, the rents charged to any very low-income
 8 families residing in the project who are otherwise
 9 required (pursuant to subparagraph (A), (B), or
 10 (D) of paragraph (1)) to receive project-based as-
 11 sistance under section 8 of the United States
 12 Housing Act of 1937 exceed the amount payable
 13 as rent under section 3(a) of the United States
 14 Housing Act of 1937, the Secretary shall provide
 15 assistance under section 8 of such Act to such
 16 families.

17 “(4) *TRANSFER FOR USE UNDER OTHER PRO-*
 18 *GRAMS OF SECRETARY.*—

19 “(A) *IN GENERAL.*—The Secretary may
 20 transfer a multifamily housing project—

21 “(i) to a public housing agency for use
 22 of the project as public housing; or

23 “(ii) to an entity eligible to own or op-
 24 erate housing under assisted section 202 of
 25 the Housing Act of 1959 or under section

1 811 of the Cranston-Gonzalez National Af-
2 fordable Housing Act for use as supportive
3 housing under either of such sections.

4 “(B) *REQUIREMENTS FOR AGREEMENT.*—
5 An agreement providing for the transfer of a
6 project described in subparagraph (A) shall—

7 “(i) contain such terms, conditions,
8 and limitations as the Secretary determines
9 appropriate, including requirements to en-
10 sure use of the project as public housing,
11 supportive housing under section 202 of the
12 Housing Act of 1959, or supportive housing
13 under section 811 of the Cranston-Gonzalez
14 National Affordable Housing Act, as appli-
15 cable; and

16 “(ii) ensure that no tenant of the
17 project will be displaced as a result of ac-
18 tions taken under this paragraph.

19 “(f) *DISCRETIONARY ASSISTANCE.*—In addition to the
20 actions taken under subsection (e) for a multifamily hous-
21 ing project, the Secretary may take any of the following
22 actions:

23 “(1) *SHORT-TERM LOANS.*—The Secretary may
24 provide a short-term loan to facilitate the sale of a

1 *multifamily housing project to a nonprofit organiza-*
2 *tion or a public agency if—*

3 *“(A) authority for such loans is provided in*
4 *advance in an appropriation Act;*

5 *“(B) such loan has a term of not more than*
6 *5 years;*

7 *“(C) the Secretary determines, based upon*
8 *documentation provided to the Secretary, that*
9 *the borrower has obtained a commitment of per-*
10 *manent financing to replace the short-term loan*
11 *from a lender who meets standards established by*
12 *the Secretary; and*

13 *“(D) the terms of such loan is consistent*
14 *with prevailing practices in the marketplace or*
15 *the provision of such loan results in no cost to*
16 *the Government, as defined in section 502 of the*
17 *Congressional Budget Act of 1974.*

18 *“(2) TENANT-BASED ASSISTANCE.—The Sec-*
19 *retary may make available tenant-based assistance*
20 *under section 8 of the United States Housing Act of*
21 *1937 to very low-income families residing in a multi-*
22 *family housing project that do not otherwise qualify*
23 *for project-based assistance.*

24 *“(3) ALTERNATIVE USES.—*

1 “(A) *IN GENERAL.*—Notwithstanding any
2 other provision of law, after providing notice to
3 and an opportunity to comment by existing ten-
4 ants, the Secretary may allow not more than—

5 “(i) 10 percent of the total number of
6 units in multifamily housing projects that
7 are disposed of by the Secretary during any
8 1-year period to be made available for uses
9 other than rental or cooperative uses, in-
10 cluding low-income homeownership oppor-
11 tunities, or in any particular project, com-
12 munity space, office space for tenant or
13 housing-related service providers or security
14 programs, or small business uses, if such
15 uses benefit the tenants of the project; and

16 “(ii) 5 percent of the total number of
17 units in multifamily housing projects that
18 are disposed of by the Secretary during any
19 1-year period to be used in any manner, if
20 the Secretary and the unit of general local
21 government or area-wide governing body de-
22 termine that such use will further fair hous-
23 ing, community development, or neighbor-
24 hood revitalization goals.

1 “(B) *DISPLACEMENT PROTECTION.*—The
 2 Secretary may take actions under subparagraph
 3 (A) only if—

4 “(i) *tenant-based rental assistance*
 5 *under section 8 of the United States Hous-*
 6 *ing Act of 1937 is made available to each*
 7 *eligible family residing in the project that is*
 8 *displaced as a result of such actions; and*

9 “(ii) *the Secretary determines that suf-*
 10 *ficient habitable, affordable rental housing*
 11 *is available in the market area in which the*
 12 *project is located to allow use of such assist-*
 13 *ance.*

14 “(g) *REQUIRED ASSISTANCE FOR CERTAIN*
 15 *PROJECTS.*—*In disposing under this section of multifamily*
 16 *housing projects, the Secretary shall, to the extent that such*
 17 *assistance is available—*

18 “(1) *in the case of any project located in a mar-*
 19 *ket area in which habitable, affordable rental housing*
 20 *for very low-income families is not sufficiently avail-*
 21 *able, provide tenant-based or project-based rental as-*
 22 *sistance under section 8 of the United States Housing*
 23 *Act of 1937 (depending on the circumstances of the*
 24 *family) to very low-income families who are preexist-*

1 *ing tenants of the project and do not otherwise qualify*
2 *for project-based assistance; and*

3 *“(2) provide project-based assistance for very*
4 *low-income families who are preexisting tenants of the*
5 *project to the extent that such assistance is necessary*
6 *to maintain the financial viability of the project and*
7 *is reasonably expected to maintain such financial vi-*
8 *ability.*

9 *“(h) RENT RESTRICTIONS.—*

10 *“(1) AUTHORITY FOR USE IN UNSUBSIDIZED*
11 *PROJECTS.—In carrying out the goals specified in*
12 *subsection (a), the Secretary may require certain*
13 *units in unsubsidized projects to be subject to use or*
14 *rent restrictions providing that such units will be*
15 *available to and affordable by very low-income per-*
16 *sons for the remaining useful life of the property, as*
17 *defined by the Secretary.*

18 *“(2) REQUIREMENT REGARDING SUBSIDIZED*
19 *AND FORMERLY SUBSIDIZED PROJECTS.—In dispos-*
20 *ing under this section of any subsidized or formerly*
21 *subsidized multifamily housing project, the Secretary*
22 *shall require rent restrictions providing that any un-*
23 *assisted very low-income family who resides in a unit*
24 *in the project on the date of disposition may not pay*
25 *as rent for the unit an amount in excess of 30 percent*

1 *of the adjusted income of the family at any time dur-*
2 *ing the period beginning upon such disposition and*
3 *ending upon the earlier of—*

4 *“(A) 15 years after such disposition; or*

5 *“(B) the time at which the family first fails*
6 *to qualify as a very low-income family.*

7 *“(3) REQUIREMENT REGARDING UNSUBSIDIZED*
8 *PROJECTS.— Unless the Secretary determines that the*
9 *applicability of rent restrictions under this para-*
10 *graph to a project would unreasonably impede the*
11 *disposition of the project, in disposing under this sec-*
12 *tion of any unsubsidized multifamily housing project*
13 *the Secretary shall require rent restrictions providing*
14 *that any unassisted very low-income family who re-*
15 *sides in a unit in the project on the date of disposi-*
16 *tion may not pay as rent for the unit an amount in*
17 *excess of 30 percent of the adjusted income of the fam-*
18 *ily at any time during the period beginning upon*
19 *such disposition and ending upon the earlier of—*

20 *“(A) 15 years after such disposition; or*

21 *“(B) the time at which the family first fails*
22 *to qualify as a very low-income family.*

23 *“(4) PHASE-IN OF RENT INCREASES.—If the dis-*
24 *position under this section of any multifamily hous-*
25 *ing project results in any rent increases for any very*

1 *low-income families who are preexisting tenants of the*
 2 *project and are paying less than 30 percent of the ad-*
 3 *justed income of the family for rent, the Secretary*
 4 *shall provide that such rent increases shall be phased*
 5 *in equally over a period of not less than 3 years.*

6 “(5) *DEFINITION OF ‘UNASSISTED VERY LOW-IN-*
 7 *COME FAMILY’.*—For purposes of this subsection, the
 8 *term ‘unassisted very low-income family’ means a*
 9 *very low-income family who resides in a unit that is*
 10 *not assisted with project-based assistance under sec-*
 11 *tion 8 of the United States Housing Act of 1937 and*
 12 *on whose behalf tenant-based assistance under such*
 13 *section is not provided.*

14 “(i) *CONTRACT REQUIREMENTS.*—Contracts for
 15 *project-based rental assistance under section 8 of the United*
 16 *States Housing Act of 1937 provided pursuant to this sec-*
 17 *tion shall be subject to the following requirements:*

18 “(1) *CONTRACT TERM.*—The contract shall have
 19 *a term of 15 years, except that—*

20 “(A) *the term may be less than 15 years to*
 21 *the extent that the Secretary finds that, based on*
 22 *the rental charges and financing for the multi-*
 23 *family housing project to which the contract re-*
 24 *lates, the financial viability of the project can be*

1 *maintained under a contract having such a*
2 *term;*

3 *“(B) to the extent that units receive project-*
4 *based assistance for a contract term of less than*
5 *15 years, the Secretary shall require that the*
6 *mount of rent payable by tenants of the project*
7 *for such units shall not exceed the amount pay-*
8 *able for rent under section 3(a) of the United*
9 *States Housing Act of 1937 for a period of at*
10 *least 15 years; and*

11 *“(C) the term may be less than 15 years if*
12 *such assistance is provided—*

13 *“(i) under a contract authorized under*
14 *section 6 of the HUD Demonstration Act of*
15 *1993; and*

16 *“(ii) pursuant to a disposition plan*
17 *under this section for a project that is deter-*
18 *mined by the Secretary to be otherwise in*
19 *compliance with this section.*

20 *“(2) CONTRACT RENT.—*

21 *“(A) IN GENERAL.—The Secretary shall es-*
22 *tablish contract rents for section 8 project-based*
23 *rental contracts issued under this section at lev-*
24 *els that provide sufficient amounts for the nec-*
25 *essary costs of rehabilitating and operating the*

1 *multifamily housing project and do not exceed*
2 *144 percent of the existing housing fair market*
3 *rentals for the market area in which the project*
4 *assisted under the contract is located.*

5 *“(B) UP-FRONT GRANTS AND LOANS.—If the*
6 *Secretary determines that action under this sub-*
7 *paragraph is more cost-effective, the Secretary*
8 *may utilize the budget authority provided for*
9 *contracts issued under this section for project-*
10 *based assistance under section 8 of the United*
11 *States Housing Act of 1937 to (in addition to*
12 *providing project-based section 8 rental assist-*
13 *ance)—*

14 *“(i) provide up-front grants to non-*
15 *profit organizations or public housing agen-*
16 *cies for the necessary cost of rehabilitation;*
17 *or*

18 *“(ii) pay any cost to the Government,*
19 *as defined in section 502 of the Congres-*
20 *sional Budget Act of 1974, for loans made*
21 *pursuant to subsection (f)(1).*

22 *“(j) DISPOSITION PLAN.—*

23 *“(1) IN GENERAL.—Prior to the sale of a multi-*
24 *family housing project that is owned by the Secretary,*
25 *the Secretary shall develop an initial disposition plan*

1 for the project that specifies the minimum terms and
2 conditions of the Secretary for disposition of the
3 project, the initial sales price that is acceptable to the
4 Secretary, and the assistance that the Secretary plans
5 to make available to a prospective purchaser in ac-
6 cordance with this section. The initial sales price
7 shall be reasonably related to the intended use of the
8 property after sale, any rehabilitation requirements
9 for the project, the rents for units in the project that
10 can be supported by the market, the amount of rental
11 assistance available for the project under section 8 of
12 the United States Housing Act of 1937, and the occu-
13 pancy profile of the project.

14 “(2) *COMMUNITY AND TENANT INPUT.*—In carry-
15 ing out this section, the Secretary shall develop proce-
16 dures—

17 “(A) to obtain appropriate and timely
18 input into disposition plans from officials of the
19 unit of general local government affected, the
20 community in which the project is situated, and
21 the tenants of the project; and

22 “(B) to facilitate, where feasible and appro-
23 priate, the sale of multifamily housing projects
24 to existing tenant organizations with dem-
25 onstrated capacity, to public or nonprofit enti-

1 *ties that represent or are affiliated with existing*
2 *tenant organizations, or to other public or non-*
3 *profit entities.*

4 *“(3) TECHNICAL ASSISTANCE.—To carry out the*
5 *procedures developed under paragraph (2), the Sec-*
6 *retary may provide technical assistance, directly or*
7 *indirectly, and may use amounts available for tech-*
8 *nical assistance under the Emergency Low Income*
9 *Housing Preservation Act of 1987, subtitle C of the*
10 *Low-Income Housing Preservation and Resident*
11 *Homeownership Act of 1990, subtitle B of title IV of*
12 *the Cranston-Gonzalez National Affordable Housing*
13 *Act, or this section, for the provision of technical as-*
14 *sistance under this paragraph. Recipients of technical*
15 *assistance funding under the provisions referred to in*
16 *this paragraph shall be permitted to provide technical*
17 *assistance to the extent of such funding under any of*
18 *such provisions or under this paragraph, notwith-*
19 *standing the source of the funding.*

20 *“(k) RIGHT OF FIRST REFUSAL FOR LOCAL AND*
21 *STATE GOVERNMENT AGENCIES.—*

22 *“(1) NOTIFICATION OF ACQUISITION OF TITLE.—*
23 *Not later than 30 days after acquiring title to a mul-*
24 *tifamily housing project, the Secretary shall notify the*
25 *unit of general local government (which, for purposes*

1 *of this subsection, shall include any public housing*
2 *agency) for the area in which the project is located*
3 *and the State agency or agencies designated by the*
4 *Governor of the State in which the project is located*
5 *of such acquisition.*

6 “(2) *RIGHT OF FIRST REFUSAL.*—During the pe-
7 *riod beginning upon acquisition of title to a multi-*
8 *family housing project and ending 45 days after com-*
9 *pletion of notification under paragraph (1), the Sec-*
10 *retary may offer to sell and may sell the project only*
11 *to the unit of general local government or the des-*
12 *ignated State agency.*

13 “(3) *EXPRESSION OF INTEREST.*—The unit of
14 *general local government or designated State agency*
15 *may submit to the Secretary a preliminary expres-*
16 *sion of interest in a project not later than 45 days*
17 *after receiving notification from the Secretary under*
18 *paragraph (1) regarding the project. The Secretary*
19 *may take such actions as may be necessary to require*
20 *the unit of general local government or designated*
21 *State agency to substantiate such interest.*

22 “(4) *TIMELY EXPRESSION OF INTEREST.*—If the
23 *unit of general local government or designated State*
24 *agency has submitted an expression of interest in a*
25 *project before the expiration of the 45-day period re-*

1 ferred to in paragraph (3) and has substantiated such
2 interest if requested, the Secretary, upon approval of
3 a disposition plan for the project, shall—

4 “(A) notify the unit of general local govern-
5 ment and designated State agency of the terms
6 and conditions of the disposition plan; and

7 “(B) provide that, for 90 days after the date
8 of such notification, only the unit of general
9 local government or designated State agency
10 may make an offer to purchase the project.

11 “(5) FAILURE TO TIMELY EXPRESS INTEREST.—

12 If the unit of general local government or designated
13 State agency does not timely express and, if requested,
14 substantiate interest in a project as provided in para-
15 graph (4), the Secretary may offer the project for sale
16 to any interested person or entity upon approval of
17 the disposition plan for the project.

18 “(6) ACCEPTANCE OF OFFERS.—If the unit of

19 general local government or designated State agency
20 timely expresses and, if requested, substantiates inter-
21 est in a project as provided in paragraph (4), the
22 Secretary shall accept an offer made by the unit of
23 general local government or designated State agency
24 during the 90-day period for the project under para-
25 graph (4)(B) that complies with the terms and condi-

1 *tions of the disposition plan for the project. The Sec-*
2 *retary may accept an offer that does not comply with*
3 *the terms and conditions of the disposition plan if the*
4 *Secretary determines that the offer will further the*
5 *goals specified in subsection (a) by actions that in-*
6 *clude extension of the duration of low-income afford-*
7 *ability restrictions or otherwise restructuring the*
8 *transaction in a manner that enhances the long-term*
9 *affordability for low-income persons. The Secretary*
10 *may reduce the initial sales price in exchange for the*
11 *extension of low-income affordability restrictions be-*
12 *yond the period of assistance contemplated by the at-*
13 *tachment of assistance pursuant to subsection (i)(1)*
14 *and in order to facilitate affordable rents.*

15 *“(7) FAILURE TO SELL TO LOCAL OR STATE GOV-*
16 *ERNMENT AGENCY.—If the Secretary and the unit of*
17 *general local government or designated State agency*
18 *cannot reach agreement on an offer for purchase of a*
19 *project within the 90-day period for the project under*
20 *paragraph (4)(B), the Secretary may offer the project*
21 *for sale to the general public.*

22 *“(8) PURCHASE BY UNIT OF GENERAL LOCAL*
23 *GOVERNMENT OR DESIGNATED STATE AGENCY.—Not-*
24 *withstanding any other provision of law, a unit of*
25 *general local government (including a public housing*

1 *agency) or designated State agency may purchase a*
2 *subsidized or formerly subsidized project in accord-*
3 *ance with this subsection.*

4 “(9) *APPLICABILITY.—This subsection shall*
5 *apply to projects that are acquired on or after the ef-*
6 *fective date of this subsection. With respect to projects*
7 *acquired before such effective date, the Secretary may*
8 *apply—*

9 “(A) *the requirements of paragraphs (2)*
10 *and (3) of section 203(e) (as in effect imme-*
11 *diately before the effective date of this sub-*
12 *section); or*

13 “(B) *the requirements of paragraphs (1)*
14 *through (7) of this subsection, if—*

15 “(i) *the Secretary gives the unit of gen-*
16 *eral local government or designated State*
17 *agency 45 days to express interest in the*
18 *project; and*

19 “(ii) *the unit of general local govern-*
20 *ment or designated State agency expresses*
21 *interest in the project before the expiration*
22 *of the 45-day period, and substantiates such*
23 *interest if requested, within 90 days from*
24 *the date of notification of the terms and*

1 *conditions of the disposition plan to make*
2 *an offer to purchase the project.*

3 “(10) *TRANSFER BY LOCAL OR STATE GOVERN-*
4 *MENT AGENCY PURCHASERS.*—*The Secretary shall*
5 *permit units of general local government and des-*
6 *ignated State agencies to transfer multifamily hous-*
7 *ing projects acquired under the right of first refusal*
8 *under this subsection to a private entity, but only if*
9 *the local government or State agency clearly identifies*
10 *its intention to transfer the project in the offer to pur-*
11 *chase the property accepted by the Secretary under*
12 *this subsection.*

13 “(1) *DISPLACEMENT OF TENANTS AND RELOCATION*
14 *ASSISTANCE.*—

15 “(1) *IN GENERAL.*—*Whenever tenants will be*
16 *displaced as a result of the disposition of, or repairs*
17 *to, a multifamily housing project that is owned by the*
18 *Secretary (or for which the Secretary is mortgagee in*
19 *possession), the Secretary shall identify tenants who*
20 *will be displaced and shall notify all such tenants of*
21 *their pending displacement and of any relocation as-*
22 *sistance that may be available. In the case of the dis-*
23 *position of tenants of a multifamily housing project*
24 *that is not owned by the Secretary (and for which the*
25 *Secretary is not mortgagee in possession), the Sec-*

1 *retary shall require the owner of the project to carry*
2 *out the requirements of this paragraph.*

3 *“(2) RIGHTS OF DISPLACED TENANTS.—The Sec-*
4 *retary shall ensure for any such tenant (who contin-*
5 *ues to meet applicable qualification standards) the*
6 *right—*

7 *“(A) to return, whenever possible, to a re-*
8 *paired unit;*

9 *“(B) to occupy a unit in another multifam-*
10 *ily housing project owned by the Secretary;*

11 *“(C) to obtain housing assistance under the*
12 *United States Housing Act of 1937; or*

13 *“(D) to receive any other available reloca-*
14 *tion assistance as the Secretary determines to be*
15 *appropriate.*

16 *“(m) MORTGAGE AND PROJECT SALES.—*

17 *“(1) IN GENERAL.—The Secretary may not ap-*
18 *prove the sale of any loan or mortgage held by the*
19 *Secretary (including any loan or mortgage owned by*
20 *the Government National Mortgage Association) on*
21 *any subsidized project or formerly subsidized project,*
22 *unless such sale is made as part of a transaction that*
23 *will ensure that such project will continue to operate*
24 *at least until the maturity date of such loan or mort-*
25 *gage, in a manner that will provide rental housing on*

1 *terms at least as advantageous to existing and future*
2 *tenants as the terms required by the program under*
3 *which the loan or mortgage was made or insured*
4 *prior to the assignment of the loan or mortgage on*
5 *such project to the Secretary.*

6 “(2) *SALE OF CERTAIN PROJECTS.*—*The Sec-*
7 *retary may not approve the sale of any subsidized*
8 *project—*

9 “(A) *that is subject to a mortgage held by*
10 *the Secretary, or*

11 “(B) *if the sale transaction involves the pro-*
12 *vision of any additional subsidy funds by the*
13 *Secretary or a recasting of the mortgage,*

14 *unless such sale is made as part of a transaction that*
15 *will ensure that the project will continue to operate,*
16 *at least until the maturity date of the loan or mort-*
17 *gage, in a manner that will provide rental housing on*
18 *terms at least as advantageous to existing and future*
19 *tenants as the terms required by the program under*
20 *which the loan or mortgage was made or insured*
21 *prior to the proposed sale of the project.*

22 “(3) *MORTGAGE SALES TO STATE AND LOCAL*
23 *GOVERNMENTS.*—*Notwithstanding any provision of*
24 *law that requires competitive sales or bidding, the*
25 *Secretary may carry out negotiated sales of subsidized*

1 *or formerly subsidized mortgages held by the Sec-*
2 *retary, without the competitive selection of purchasers*
3 *or intermediaries, to units of general local govern-*
4 *ment or State agencies, or groups of investors that in-*
5 *clude at least one such unit of general local govern-*
6 *ment or State agency, if the negotiations are con-*
7 *ducted with such agencies, except that—*

8 *“(A) the terms of any such sale shall in-*
9 *clude the agreement of the purchasing agency or*
10 *unit of local government or State agency to act*
11 *as mortgagee or owner of a beneficial interest in*
12 *such mortgages, in a manner consistent with*
13 *maintaining the projects that are subject to such*
14 *mortgages for occupancy by the general tenant*
15 *group intended to be served by the applicable*
16 *mortgage insurance program, including, to the*
17 *extent the Secretary determines appropriate, au-*
18 *thorizing such unit of local government or State*
19 *agency to enforce the provisions of any regu-*
20 *latory agreement or other program requirements*
21 *applicable to the related projects; and*

22 *“(B) the sales prices for such mortgages*
23 *shall be, in the determination of the Secretary,*
24 *the best prices that may be obtained for such*
25 *mortgages from a unit of general local govern-*

1 *ment or State agency, consistent with the expect-*
2 *tation and intention that the projects financed*
3 *will be retained for use under the applicable*
4 *mortgage insurance program for the life of the*
5 *initial mortgage insurance contract.*

6 “(4) SALE OF MORTGAGES COVERING
7 UNSUBSIDIZED PROJECTS.—*Notwithstanding any*
8 *other provision of law, the Secretary may sell mort-*
9 *gages held on unsubsidized projects on such terms and*
10 *conditions as the Secretary may prescribe.*

11 “(n) REPORT TO CONGRESS.—*Not later than June 1*
12 *of each year, the Secretary shall submit to the Congress a*
13 *report describing the status of multifamily housing projects*
14 *owned by or subject to mortgages held by the Secretary. The*
15 *report shall include—*

16 “(1) *the name, address, and size of each project;*

17 “(2) *the nature and date of assignment of each*
18 *project;*

19 “(3) *the status of the mortgage for each project;*

20 “(4) *the physical condition of each project;*

21 “(5) *for each subsidized or formerly subsidized*
22 *project, an occupancy profile of the project, stating*
23 *the income, family size, race, and ethnic origin of*
24 *current residents and the rents paid by such residents;*

1 “(6) the proportion of units in each project that
2 are vacant;

3 “(7) the date on which the Secretary became
4 mortgagee in possession of each project, if applicable;

5 “(8) the date and conditions of any foreclosure
6 sale for a project;

7 “(9) the date of acquisition of each project by the
8 Secretary, if applicable;

9 “(10) the date and conditions of any property
10 disposition sale for a project;

11 “(11) a description of actions undertaken pursu-
12 ant to this section, including a description of the ef-
13 fectiveness of such actions and any impediments to
14 the disposition or management of multifamily hous-
15 ing projects;

16 “(12) a description of any of the functions per-
17 formed in connection with this section that are con-
18 tracted out to public or private entities or to States;
19 and

20 “(13) a description of the activities carried out
21 under subsection (k) during the preceding year.”.

22 (c) CLARIFICATION OF FEDERAL PREFERENCES.—

23 (1) PUBLIC HOUSING TENANCY.—Section
24 6(c)(4)(A)(i) of the United States Housing Act of
25 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by in-

(d) *DEFINITION OF OWNER.*—Section 8(f)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)(1)) is amended by inserting “an agency of the Federal Government,” after “cooperative,”.

19 “PARTIAL PAYMENT OF CLAIMS ON MULTIFAMILY HOUSING
20 PROJECTS

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1 *that partial payment would be less costly to the Federal*
2 *Government than other reasonable alternatives for main-*
3 *taining the low-income character of the project, the Sec-*
4 *retary may request the mortgagee, in lieu of assignment,*
5 *to—*

6 “(1) *accept partial payment of the claim under*
7 *the mortgage insurance contract; and*

8 “(2) *recast the mortgage, under such terms and*
9 *conditions as the Secretary may determine.*

10 “(b) *REPAYMENT.—As a condition to a partial claim*
11 *payment under this section, the mortgagor shall agree to*
12 *repay to the Secretary the amount of such payment and*
13 *such obligation shall be secured by a second mortgage on*
14 *the property on such terms and conditions as the Secretary*
15 *may determine.”.*

16 “(f) *EFFECTIVE DATE.—The Secretary shall issue in-*
17 *terim regulations necessary to implement the amendments*
18 *made by subsections (b) through (d) not later than 90 days*
19 *after the date of the enactment of this Act. Such interim*
20 *regulations shall take effect upon issuance and invite public*
21 *comment on the interim regulations. The Secretary shall*
22 *issue final regulations to implement such amendments after*
23 *opportunity for such public comment, but not later than*
24 *12 months after the date of issuance of such interim regula-*
25 *tions.*

1 **SEC. 6002. SECTION 235 MORTGAGE REFINANCING.**

2 *Section 235(r) of the National Housing Act is amend-*
3 *ed—*

4 *(1) in paragraph (2)(C), by inserting after “refi-*
5 *nanced” the following: “; plus the costs incurred in*
6 *connection with the refinancing as described in para-*
7 *graph (4)(B) to the extent that the amount for those*
8 *costs is not otherwise included in the interest rate as*
9 *permitted by subparagraph (E) or paid by the Sec-*
10 *retary as authorized by paragraph (4)(B)”;*

11 *(2) in paragraph (4)—*

12 *(A) in the matter preceding subparagraph*
13 *(A), by inserting after “otherwise)” the following:*
14 *“and the mortgagee (with respect to the amount*
15 *described in subparagraph (A))”;* and

16 *(B) in subparagraph (A), by inserting after*
17 *“mortgagor” the following: “and the mortgagee”;*
18 *and*

19 *(3) by amending paragraph (5) to read as fol-*
20 *lows:*

21 *“(5) The Secretary shall use amounts of budget author-*
22 *ity recaptured from assistance payments contracts relating*
23 *to mortgages that are being refinanced for assistance pay-*
24 *ments contracts with respect to mortgages insured under*
25 *this subsection. The Secretary may also make such recap-*
26 *tured amounts available for incentives under paragraph*

1 (4)(A) and the costs incurred in connection with the refi-
 2 nancing under paragraph (4)(B). For purposes of sub-
 3 section (c)(3)(A), the amount of recaptured budget author-
 4 ity that the Secretary commits for assistance payments con-
 5 tracts relating to mortgages insured under this subsection
 6 and for amounts paid under paragraph (4) shall not be
 7 construed as unused.”.

8 **SEC. 6003. USE OF EMERGENCY ASSISTANCE FUNDS FOR**
 9 **RESIDENCY IN MULTIFAMILY HOUSING DIS-**
 10 **POSITION PROJECTS.**

11 Section 203(f) of the Housing and Community Devel-
 12 opment Amendments of 1978 (12 U.S.C. 1701z-11), as
 13 amended by section 6001 of this Act, is further amended
 14 by adding at the end the following new paragraph:

15 “(4) EMERGENCY ASSISTANCE FUNDS.—The Sec-
 16 retary may make arrangements with State agencies
 17 and units of general local government of States receiv-
 18 ing emergency assistance under part A of title IV of
 19 the Social Security Act for the provision of assistance
 20 under such Act on behalf of eligible families who
 21 would reside in any multifamily housing projects.”.

22 **SEC. 6004. ADDITIONAL EMPLOYEES TO FACILITATE DIS-**
 23 **POSITION OF FHA INVENTORY PROPERTIES.**

24 Notwithstanding any other provision of law, during
 25 fiscal years 1993, 1994, and 1995 amounts in the various

1 *funds of the Federal Housing Administration otherwise*
2 *available to the Secretary of Housing and Urban Develop-*
3 *ment for non-overhead expenses associated with processing,*
4 *accounting, loan servicing, asset management, and disposi-*
5 *tion services may be used by the Secretary for personnel*
6 *compensation and benefits for temporary employees of the*
7 *Department of Housing and Urban Development employed*
8 *to manage, service, and dispose of single family and multi-*
9 *family properties insured by, assigned to, or owned by the*
10 *Secretary. The Secretary may employ not more than 400*
11 *temporary employees at any one time using amounts made*
12 *available pursuant to this section, no such employee may*
13 *be employed in a temporary position pursuant to this sec-*
14 *tion for a period in excess of 2 years, and such employees*
15 *shall not be considered for purposes of any personnel ceiling*
16 *applicable to the Department of Housing and Urban Devel-*
17 *opment or any unit therein or any personnel ceiling appli-*
18 *cable to temporary employees of the Federal Government.*

19 **SEC. 6005. HUD STREAMLINING.**

20 *The Secretary of Housing and Urban Development*
21 *shall carry out the recommendation of the Report of the Na-*
22 *tional Performance Review, issued on September 7, 1993,*
23 *that the Department streamline its headquarters, regional,*
24 *and field office structure and consolidate and reduce its size,*

1 *without regard to the requirements of section 7(p) of the*
 2 *Department of Housing and Urban Development Act.*

3 **TITLE VII—DEPARTMENT OF**
 4 **THE INTERIOR**
 5 **Subtitle A—Improve the Federal**
 6 **Helium Program**

7 **SEC. 7001. AMENDMENTS TO HELIUM ACT AMENDMENTS OF**
 8 **1960.**

9 (a) Section 4 of the Helium Act Amendments of 1960
 10 (74 Stat. 920, 50 U.S.C. 167b) is amended to insert after
 11 “lands acquired, leased, or reserved;” the following: “re-
 12 duce costs and increase operational efficiencies, especially
 13 in operations that do not produce revenue; establish and
 14 adjust fees charged private industry for storage, trans-
 15 mission, and withdrawal of privately-owned helium from
 16 Government storage facilities to compensate fully for all
 17 costs incurred;”.

18 (b) Section 6 of the Helium Act Amendments of 1960
 19 (74 Stat. 921, 50 U.S.C. 167d) is amended—

20 (1) by amending subsection (b) to read:

21 “(b) The Secretary is authorized to sell helium for
 22 Federal, medical, scientific, and commercial uses in such
 23 quantities and under such terms and conditions as the
 24 Secretary determines. Sales shall be made in quantities
 25 and a manner to avoid undue disruption of the usual mar-

1 kets of producers, processors, and consumers of helium
2 and to protect the United States against avoidable loss.”;
3 and

4 (2) by amending subsection (c) to read:

5 “(c) Sales of helium by the Secretary shall be at
6 prices, as established by the Secretary, that are adequate
7 to cover all costs incurred in carrying out the provisions
8 of this Act. Helium shall be sold at prices comparable to
9 helium sold by private industry. An annual review of price
10 comparability shall be made and adjustments shall be
11 made accordingly.”.

12 **SEC. 7002. LONG-TERM COMPREHENSIVE PLAN.**

13 The Secretary of the Interior shall prepare and de-
14 velop a long-term, comprehensive plan to (1) cancel the
15 outstanding debt owed to the Treasury by the Department
16 of the Interior related to the Federal helium program; and
17 (2) improve Federal helium program operations over a
18 multi-year period. The plan should analyze various options
19 to accomplish (1) and (2) above, with emphasis on ways
20 to minimize adverse impacts on Federal employment, Fed-
21 eral helium purchasers, and U.S. private sector helium
22 markets. The plan, with the Secretary’s preferred options,
23 shall be presented to the President within 4 months of
24 enactment of this Act. The President may adopt the plan,
25 in whole or in part, and is authorized to cancel the out-

1 standing debt upon a finding that such debt cancellation
 2 is in the national interest.

3 **Subtitle B Subtitle A—Improve**
 4 **Minerals Management Service**
 5 **Royalty Collection**

6 **SEC. 7101. IMPROVEMENT OF MINERALS MANAGEMENT**
 7 **SERVICE ROYALTY COLLECTION.**

8 (a) The Secretary of the Interior shall, by fiscal year
 9 1995, direct the Minerals Management Service, Royalty
 10 Management Program, to develop and implement (1) an
 11 automated business information system to provide to its
 12 auditors a lease history that includes reference, royalty,
 13 production, financial, compliance history, pricing and valu-
 14 ation, and other information; (2) the optimum methods
 15 to identify and resolve anomalies and to verify that royal-
 16 ties are paid correctly; (3) a more efficient and cost-effec-
 17 tive royalty collection process by instituting new compli-
 18 ance and enforcement measures, including assessments
 19 and penalties for erroneous reporting and underreporting;
 20 ~~and (4)~~ (4) *pilot projects under which a State may assume*
 21 *mineral receipt collections on Federal lands within the*
 22 *State and where the State assumes 50 percent of the cost*
 23 *of such pilot project; and (5) such other actions as may*
 24 *be necessary to reduce royalty underpayment and increase*

1 revenue to the U.S. Treasury by an estimated total of \$28
2 million by fiscal year 1999.

3 (b) The Federal Oil and Gas Royalty Management
4 Act of 1982 (Public Law No. 97-451), 30 U.S.C. 1701
5 et seq.) is amended by adding a new subsection 111(h)
6 as follows:

7 “PENALTY ASSESSMENT FOR SUBSTANTIAL
8 UNDERREPORTING OF ROYALTY”

9 “SEC. 111. (h)(1) If there is any underreporting of
10 royalty owed on production from any lease issued or ad-
11 ministered by the Secretary for the production of oil, gas,
12 coal, any other mineral, or geothermal steam, from any
13 Federal or Indian lands or the Outer Continental Shelf,
14 for any production month, by any person who is respon-
15 sible for paying royalty, the Secretary may assess a pen-
16 alty of 10 percent of the amount of that underreporting.

17 “(2) If there is a substantial underreporting of roy-
18 alty owed on production from any lease issued or adminis-
19 tered by the Secretary for the production of oil, gas, coal,
20 any other mineral, or geothermal steam, from any Federal
21 or Indian lands or the Outer Continental Shelf, for any
22 production month, by any person who is responsible for
23 paying royalty, the Secretary may assess a penalty of 20
24 percent of the amount of that substantial underreporting.

25 “(3) For purposes of this section, the term
26 ‘underreporting’ means the difference between the royalty

1 on the value of the production which should have been re-
2 ported and the royalty on the value of the production
3 which was reported, if the value of the production which
4 should have been reported is greater than the value of the
5 production which was reported. An underreporting con-
6 stitutes a ‘substantial underreporting’ if such difference
7 exceeds 10 percent of the royalty on the value of the pro-
8 duction which should have been reported.

9 “(4) The Secretary shall not impose the assessment
10 provided in paragraphs (1) or (2) if the person corrects
11 the underreporting before the date the person receives no-
12 tice from the Secretary that an underreporting may have
13 occurred, or before 90 days after the date of enactment
14 of this section, whichever is later.

15 “(5) The Secretary shall waive any portion of an as-
16 sessment provided in paragraphs (1) or (2) attributable
17 to that portion of the underreporting for which the person
18 demonstrates that—

19 “(i) the person had written authorization from
20 the Secretary to report royalty on the value of the
21 production on the basis on which it was reported, or

22 “(ii) the person had substantial authority for
23 reporting royalty on the value of the production on
24 the basis on which it was reported, or

1 “(iii) the person previously had notified the
2 Secretary, in such manner as the Secretary may by
3 rule prescribe, of relevant reasons or facts affecting
4 the royalty treatment of specific production which
5 led to the underreporting, or

6 “(iv) the person meets any other exception
7 which the Secretary may, by rule, establish.

8 “(6) All penalties collected under this subsection shall
9 be deposited to the same accounts in the Treasury or paid
10 to the same recipients in the same manner as the royalty
11 with respect to which such penalty is paid.”.

12 **Subtitle C Subtitle B—Phase Out**
13 **the Mineral Institute Program**

14 **SEC. 7201. PHASE OUT OF MINERAL INSTITUTE PROGRAM.**

15 The Secretary of the Interior, beginning in fiscal year
16 1995, shall take action to phase out the Mining and Min-
17 eral Resources Research Institute Act of 1984, Public Law
18 98–409, as amended (98 Stat. 1536 through 1541 and
19 102 Stat. 2339 through 2341, 30 U.S.C. 1221 through
20 1230). There are hereby authorized to be appropriated
21 under the Act the following amounts: fiscal year 1995—
22 \$6.5 million; fiscal year 1996—\$5 million; fiscal year
23 1997—\$3 million; and fiscal year 1998—\$1.5 million. No
24 further appropriations for this Act are authorized after
25 September 30, 1998.

**Subtitle C—Reorganization of
Bureau of Indian Affairs**

SEC. 7301. REORGANIZATION STUDY.

(a) *GENERAL AUTHORITY.*—The Secretary of the Interior, with the active participation of Indian tribes, shall conduct a study of the reorganization of the Bureau of Indian Affairs.

(b) *CONTENT.*—The study conducted under subsection (a) shall include (but shall not be limited to)—

(1) an examination of the current structure of the Bureau of Indian Affairs and recommendations for structural changes to improve the implementation of Federal trust responsibilities toward Indian tribes;

(2) an examination of the current roles of the Central, Area, and Agency offices of the Bureau of Indian Affairs and recommendations to improve efficiency of the Bureau through reorganization;

(3) an examination of the efficiency of the Bureau of Indian Affairs in comparison with other Bureaus of the Department of the Interior;

(4) an examination of the barriers to the implementation of the 1988 amendments to the Indian Self-Determination and Education Assistance Act throughout the Department of the Interior and a proposed plan for effective implementation; and

1 (5) *recommendations for the transfer of personnel*
2 *and resources from the Central, Area, and Agency of-*
3 *fices of the Bureau of Indian Affairs to Indian tribes.*

4 (c) *REPORT.—The Secretary shall complete the study*
5 *conducted pursuant to this section and shall submit such*
6 *study, together with recommendations and draft legislation*
7 *to implement such recommendations, to the Congress within*
8 *one year after the date of enactment of this Act.*

9 ***Subtitle D—Termination of Annual***
10 ***Direct Grant Assistance***

11 ***SEC. 7401. TERMINATION OF ANNUAL DIRECT GRANT AS-***
12 ***SISTANCE***

13 (a) *TERMINATION.—Pursuant to section 704(d) of the*
14 *Covenant to Establish a Commonwealth of the Northern*
15 *Mariana Islands in Political Union with the United States*
16 *of America (48 U.S.C. 1681 note), the annual payments*
17 *under section 702 of the Covenant shall terminate as of Sep-*
18 *tember 30, 1993.*

19 (b) *REPEAL.—Sections 3 and 4 of the Act of March*
20 *24, 1976 (Public Law 94–241; 48 U.S.C. 1681 note), as*
21 *amended, are repealed, effective October 1, 1993.*

1 **TITLE VIII—DEPARTMENT OF**
2 **JUSTICE**

3 **SEC. 8001. BUREAU OF PRISONS HEALTH SERVICES USER**
4 **FEE.**

5 Chapter 303 of title 18, United States Code, is
6 amended by adding at the end the following new section:

7 **“SEC. 4047. USER FEE FOR HEALTH SERVICES.**

8 “The Attorney General may assess a nominal fee for
9 health services provided to an inmate. The Attorney Gen-
10 eral may withdraw, without the inmate’s consent, funds
11 from his or her trust fund account, designated as ‘Funds
12 of Federal Prisoners’ in section 1321(a)(21) of title 31,
13 necessary to pay fees incurred by the inmate for health
14 services. The Attorney General may waive or refund, for
15 good cause and at any time, all or part of the expenses
16 incurred by an inmate through the assessment of fees for
17 health services. An inmate shall not be denied health serv-
18 ices treatment because of his or her inability to pay a
19 health services fee. The Attorney General is authorized to
20 promulgate regulations to implement this section.”.

1 **TITLE IX—DEPARTMENT OF**
2 **LABOR**
3 **Subtitle A—Deterrence of Fraud**
4 **and Abuse in the FECA Program**

5 **SEC. 9001. DETERRENCE OF FRAUD AND ABUSE IN FECA**
6 **PROGRAM.**

7 (a) Section 8102 of title 5, United States Code, is
8 amended to redesignate subsection (b) as subsection (c),
9 and to add the following new subsection (b):

10 “(b) An individual convicted of a violation of 18
11 U.S.C. 1920, as amended, or of any other fraud related
12 to the application for or receipt of benefits under sub-
13 chapter I or III of chapter 81 of title 5, shall forfeit, as
14 of the date of the conviction, all entitlement to any pro-
15 spective benefits provided by subchapter I or III for any
16 injury occurring on or before the date of the conviction.
17 Such a forfeiture of benefits shall be in addition to any
18 action the Secretary may take under section 8106 or 8129
19 of title 5, United States Code.”.

20 (b) Section 8116 of title 5, United States Code, is
21 amended by adding the following new subsection (e):

22 “(e) Notwithstanding any other provision of this title,
23 no benefits under sections 8105 or 8106 of this subchapter
24 shall be paid or provided to any individual during any pe-
25 riod during which such individual is confined in a jail,

1 prison, or other penal institution or correctional facility,
2 pursuant to that individual's conviction of an offense that
3 constituted a felony under applicable law, except where
4 such individual has one or more dependents within the
5 meaning of section 8110 of this subchapter, in which case
6 the Secretary may, during the period of incarceration, pay
7 to such dependents a percentage of the benefits that would
8 have been payable to such individual computed according
9 to the percentages set forth in section 8133(a) (1)–(5) of
10 this subchapter.”.

11 (c) Section 8116 of title 5, United States Code, is
12 further amended by adding the following new subsection
13 (f):

14 “(f) Notwithstanding the provisions of section 552a
15 of this title, or any other provision of Federal or State
16 law, any agency of the United States Government or of
17 any State (or political subdivision thereof) shall make
18 available to the Secretary, upon written request, the
19 names and Social Security account numbers of individuals
20 who are confined in a jail, prison or other penal institution
21 or correctional facility under the jurisdiction of such agen-
22 cy, pursuant to such individuals' conviction of an offense
23 that constituted a felony under applicable law, which the
24 Secretary may require to carry out the provisions of this
25 subsection.”.

1 (d) Section 1920 of title 18, United States Code, is
2 amended to read as follows: “Whoever knowingly and will-
3 fully falsifies, conceals, or covers up a material fact, or
4 makes a false, fictitious, or fraudulent statement or rep-
5 resentation, or makes or uses a false statement or report
6 knowing the same to contain any false, fictitious or fraud-
7 ulent statement or entry in connection with the application
8 for or receipt of compensation or other benefit or payment
9 under subchapter I or III of chapter 81 of title 5, United
10 States Code, shall be punished by a fine of not more than
11 \$250,000, or by imprisonment for not more than five
12 years, or both.”.

13 (e) Except as otherwise provided in this section, the
14 amendments made by this section shall be effective on the
15 date of enactment and shall apply to actions taken on or
16 after the date of enactment both with respect to claims
17 filed before the day of enactment and with respect to
18 claims filed after such date.

19 (f) The amendments made by subsections (a), (b),
20 and (c) of this section shall be effective on the date of
21 enactment and shall apply to any person convicted or im-
22 prisoned on or after the date of enactment.

23 (g) The amendment made by subsection (d) of this
24 section shall be effective on the date of enactment and
25 shall apply to any claim, statement, representation, report,

1 or other written document made or submitted in connec-
2 tion with a claim filed under subchapter I or III of chapter
3 81 of title 5, United States Code.

4 **Subtitle B—Enhancement of Reem-**
5 **ployment Programs for Federal**
6 **Employees Disabled in the Per-**
7 **formance of Duty**

8 **SEC. 9101. ENHANCEMENT OF REEMPLOYMENT PROGRAMS**
9 **FOR FEDERAL EMPLOYEES DISABLED IN THE**
10 **PERFORMANCE OF DUTY.**

11 (a) Section 8104 of title 5, United States Code, is
12 amended—

13 (1) by striking the comma after “employment”
14 and by striking “other than employment undertaken
15 pursuant to such rehabilitation” from subsection (b);
16 and

17 (2) by adding the following new subsection (c):

18 “(c) The Secretary of Labor, as part of the vocational
19 rehabilitation effort, may assist permanently disabled indi-
20 viduals in seeking and/or obtaining employment. The Sec-
21 retary may reimburse an employer (including a Federal
22 employer), who was not the employer at the time of injury
23 and who agrees to employ a disabled beneficiary, for por-
24 tions of the salary paid by such employer to the reem-

1 ployed, disabled beneficiary. Any such sums shall be paid
2 from the Employees' Compensation Fund.''.

3 (b) The Secretary of Labor is authorized to expand
4 the Federal Employees' Compensation Act Periodic Roll
5 Management Project to all offices of the Office of Work-
6 ers' Compensation Program of the Department of Labor.

7 (c) The provisions of, and amendments made by, sub-
8 sections (a) and (b) of this section shall be effective on
9 the date of enactment.

10 **Subtitle C—Wage Determinations—**
11 **McNamara-O'Hara Service Con-**
12 **tract Act and Davis-Bacon Act**

13 **SEC. 9201. WAGE DETERMINATIONS.**

14 (a) The McNamara-O'Hara Service Contract Act, as
15 amended (41 U.S.C. 351 et seq.) is amended by adding
16 at the end the following new section:

17 "SEC. 11. To more effectively implement wage deter-
18 mination procedures, the Secretary of Labor is authorized
19 to develop and implement an electronic data interchange
20 system to request and obtain wage determinations re-
21 quired under the Act.'".

22 (b) The Davis-Bacon Act, as amended (41 U.S.C.
23 276a et seq.) is amended by adding at the end the follow-
24 ing new section:

1 “SEC. 8. To more effectively implement wage deter-
2 mination procedures, the Secretary of Labor is authorized
3 to develop and implement an electronic data interchange
4 system to request and obtain wage determinations re-
5 quired under the Act.”.

6 (c) The amendments made by subsections (a) and (b)
7 of this section shall be effective on the date of enactment.

8 **Subtitle D—Elimination of Filing**
9 **Requirement for Plan Descrip-**
10 **tions, Summary Plan Descrip-**
11 **tions, and Descriptions of Mate-**
12 **rial Modifications to a Plan**

13 **SEC. 9301. ELIMINATION OF FILING REQUIREMENTS.**

14 (a) Section 101(b) of the Employee Retirement In-
15 come Security Act of 1974 (ERISA) (29 U.S.C. 1021(b))
16 is amended by striking paragraphs (1), (2) and (3) and
17 by redesignating paragraphs (4) and (5) as paragraphs
18 (1) and (2), respectively.

19 (b) Section 102 of ERISA (29 U.S.C. 1022) is
20 amended by striking paragraph (a)(2) and redesignating
21 paragraph (a)(1) as subsection (a).

22 (c) Section 104(a)(1) of ERISA (29 U.S.C.
23 1024(a)(1)) is amended to read as follows:

24 “SEC. 104. (a)(1) The administrator of any employee
25 benefit plan subject to this part shall file with the Sec-

1 retary the annual report for a plan year within 210 days
2 after the close of such year (or within such time as may
3 be required by regulations promulgated by the Secretary
4 in order to reduce duplicative filing). The Secretary shall
5 make copies of such annual reports available for inspection
6 in the public document room of the Department of Labor.
7 The administrator shall also furnish to the Secretary,
8 upon request, any documents relating to the employee ben-
9 efit plan including but not limited to the summary plan
10 description, description of material modifications to the
11 plan, bargaining agreement, trust agreement, contract, or
12 other instrument under which the plan is established or
13 operated.”.

14 (d) Section 104(b) of ERISA (29 U.S.C. 1024(b))
15 is amended by adding at the end the following new para-
16 graph:

17 “(5) The Secretary shall, upon written request
18 of any participant or beneficiary of a plan for a copy
19 of any documents described in paragraph (4), make
20 a written request to the plan administrator for cop-
21 ies of such documents. The plan administrator shall
22 comply with such request from the Secretary. Upon
23 obtaining such copies from the plan administrator,
24 the Secretary shall provide them to the requesting
25 participant or beneficiary. In making a request

1 under this paragraph to the plan administrator, the
2 Secretary shall not disclose to the plan administrator
3 the identity of the participant or beneficiary. The
4 administrator may make a reasonable charge to
5 cover the cost of furnishing such complete copies
6 consistent with any regulations issued by the Sec-
7 retary pursuant to paragraph (4). The Secretary
8 may require the participant or beneficiary to reim-
9 burse the Secretary for such charges before the par-
10 ticipant receives the requested copies.”.

11 (e) Section 106(a) of ERISA (29 U.S.C. 1026(a)) is
12 amended by striking “descriptions,”.

13 (f) Section 107 of ERISA (29 U.S.C. 1027) is
14 amended by striking “description or”.

15 (g) Section 108 of ERISA (29 U.S.C. 1028) is
16 amended by striking “(B) after publishing or filing the
17 plan description, annual reports,” and inserting “(B) after
18 publishing the plan description, or after publishing or fil-
19 ing the annual reports,”.

20 (h) Section 109(b) of ERISA (29 U.S.C. 1029(b))
21 is amended to read as follows:

22 “(b) The financial statement and opinion required to
23 be prepared by an independent qualified public accountant
24 pursuant to section 103(a)(3)(A) and the actuarial state-
25 ment required to be prepared by an enrolled actuary pur-

1 suant to section 103(a)(4)(A) shall not be required to be
2 submitted on forms.”.

3 (i) Section 502(c) of ERISA is amended by adding
4 at the end the following new paragraph:

5 “(4) The Secretary may assess a civil penalty
6 against any plan administrator of up to \$100 per
7 day from the date of such plan administrator’s fail-
8 ure or refusal to comply with a request for docu-
9 ments which such administrator is required to fur-
10 nish to the Secretary (unless such failure or refusal
11 results from matters reasonably beyond the control
12 of the administrator) pursuant to section 104(b)(5)
13 by mailing the material requested to the address
14 provided by the Secretary within 30 days after such
15 request.”.

16 (j) EFFECTIVE DATE.—The provisions of this section
17 shall take effect on the date of enactment of this Act.

18 **TITLE X—DEPARTMENT OF**
19 **STATE/UNITED STATES IN-**
20 **FORMATION AGENCY**

21 **SEC. 10001. REDUCTION OF MISSION OPERATING COSTS.**

22 The Secretary of State shall take action to reduce
23 costs of providing marine guard and other security at dip-
24 lomatic missions overseas by a total of \$5,700,000 by the
25 end of fiscal year 1999.

1 **SEC. 10002. IMPROVEMENT OF EFFICIENCY OF USIA PUB-**
 2 **LIC DIPLOMACY ACTIVITIES.**

3 The Director of the United States Information Agen-
 4 cy (USIA) shall take action to improve the efficiency of
 5 USIA's public diplomacy activities and save a total of
 6 \$15,000,000 by the end of fiscal year 1999.

7 **TITLE XI—DEPARTMENT OF**
 8 **TRANSPORTATION**
 9 **(Subtitle A—Authority to Charge**
 10 **Tuition for Attendance at the**
 11 **U.S. Merchant Marine Academy**

12 **(SEC. 11001. TUITION FOR U.S. MERCHANT MARINE ACAD-**
 13 **EMY.**

14 **(**Section 1303(d) of the Merchant Marine Act, 1936
 15 (46 App. U.S.C. 1295b(d)), is amended to read as follows:

16 **(“**(d)(1) Beginning with the class of individuals first
 17 entering the Academy in the 1995–1996 academic year,
 18 the Secretary shall impose a system of tuition and fees
 19 on individuals attending the Academy that shall, in total,
 20 equal an amount that is up to one-half the total operating
 21 costs of the Academy during the preceding fiscal year. The
 22 tuition and fees paid by the Academy's total cadet enroll-
 23 ment shall be retained by the Secretary to assist in meet-
 24 ing the Academy's operating expenses.

25 **(“**(2) Beginning with the class of individuals first en-
 26 tering the Academy in the 1995–1996 academic year, the

1 Secretary is authorized to impose reasonable fees on any
 2 cadet at the Academy for all required uniforms and text-
 3 books. The Secretary shall provide to any individual first
 4 entering the Academy before the 1995–1996 academic
 5 year all required uniforms and textbooks.

6 (“(3) The Secretary shall provide to any cadet at the
 7 Academy allowances for transportation (including reim-
 8 bursement of traveling expenses) while traveling under or-
 9 ders as a cadet of the Academy.”.)

10 **Subtitle A—Authority to establish**
 11 **reemployment rights for certain**
 12 **merchant seamen**

13 **SECTION 11001. SHORT TITLE.**

14 **This subtitle may be cited as the “Mer-**
 15 **chant Seamen Reemployment Rights Act of**
 16 **1993”.**

17 **SEC. 11002. REEMPLOYMENT RIGHTS FOR CERTAIN MER-**
 18 **CHANT SEAMEN.**

19 **(a) IN GENERAL.—Title III of the Merchant**
 20 **Marine Act, 1936 (46 App. U.S.C. 1131) is**
 21 **amended by inserting after section 301 the fol-**
 22 **lowing new section:**

23 **“SEC. 302. (a) An individual who is cer-**
 24 **tified by the Secretary of Transportation**
 25 **under subsection (c) shall be entitled to reem-**

1 **ployment rights and other benefits substan-**
2 **tially equivalent to the rights and benefits**
3 **provided for by chapter 43 of title 38, United**
4 **States Code, for any member of a Reserve**
5 **component of the Armed Forces of the United**
6 **States who is ordered to active duty.**

7 **“(b) An individual may submit an applica-**
8 **tion for certification under subsection (c) to**
9 **the Secretary of Transportation not later than**
10 **45 days after the date the individual com-**
11 **pletes a period of employment described in**
12 **subsection (c)(1)(A) with respect to which the**
13 **application is submitted.**

14 **“(c) Not later than 20 days after the date**
15 **the Secretary of Transportation receives from**
16 **an individual an application for certification**
17 **under this subsection, the Secretary shall—**

18 **“(1) determine whether or not the in-**
19 **dividual—**

20 **“(A) was employed in the activa-**
21 **tion or operation of a vessel—**

22 **“(i) in the National Defense**
23 **Reserve Fleet maintained under**
24 **section 11 of the Merchant Ship**
25 **Sales Act of 1946, in a period in**

1 **which that vessel was in use or**
2 **being activated for use under sub-**
3 **section (b) of that section;**

4 **“(ii) that is requisitioned or**
5 **purchased under section 902 of**
6 **this Act; or**

7 **“(iii) that is owned, chartered,**
8 **or controlled by the United States**
9 **and used by the United States for**
10 **a war, armed conflict, national**
11 **emergency, or maritime mobiliza-**
12 **tion need (including for training**
13 **purposes or testing for readiness**
14 **and suitability for mission per-**
15 **formance); and**

16 **“(B) during the period of that em-**
17 **ployment, possessed a valid license,**
18 **certificate of registry, or merchant**
19 **mariner’s document issued under**
20 **chapter 71 or chapter 73 (as applica-**
21 **ble) of title 46, United States Code;**
22 **and**

23 **“(2) if the Secretary makes affirma-**
24 **tive determinations under paragraph (1)**

1 **(A) and (B), certify that individual under**
2 **this subsection.**

3 **“(d) For purposes of reemployment rights**
4 **and benefits provided by this section, a cer-**
5 **tification under subsection (c) shall be consid-**
6 **ered to be the equivalent of a certificate re-**
7 **ferred to in clause (1) of section 4301(a) of title**
8 **38, United States Code.”.**

9 **(b) APPLICATION.—The amendment made**
10 **by subsection (a) shall apply to employment**
11 **described in section 302(c)(1)(A) of the Mer-**
12 **chant Marine Act, 1936, as amended by sub-**
13 **section (a), occurring after August 2, 1990.**

14 **(c) EMPLOYMENT ENDING BEFORE ENACT-**
15 **MENT.—Notwithstanding subsection (b) of sec-**
16 **tion 302 of the Merchant Marine Act, 1936, as**
17 **amended by this Act, an individual who, in**
18 **the period beginning August 2, 1990, and end-**
19 **ing on the date of the enactment of this Act,**
20 **completed a period of employment described**
21 **in subsection (c)(1)(A) of that section may sub-**
22 **mit an application for certification under sub-**
23 **section (c) of that section with respect to that**
24 **employment not later than 45 days after the**
25 **date of the enactment of this Act.**

1 **(d) REGULATIONS.—Not later than 120 days**
 2 **after the date of the enactment of this Act, the**
 3 **Secretary of Transportation shall issue regu-**
 4 **lations implementing this section.**

5 **Subtitle B—Reform of the Essential**
 6 **Air Service Program**

7 **SEC. 11101. REFORM OF ESSENTIAL AIR SERVICE PRO-**
 8 **GRAM.**

9 Section 419 of the Federal Aviation Act of 1958 (49
 10 App. U.S.C. 1389) is amended by—

11 (1) revising paragraph (a)(2) to read as follows:

12 *(1) in subsection (a) by striking paragraph (2)*
 13 *and inserting the following:*

14 “(2) RESTRICTIONS ON QUALIFICATIONS AS AN
 15 ELIGIBLE POINT.—To qualify as an eligible point in
 16 the 48 contiguous states, Hawaii, and Puerto Rico
 17 for purposes of fiscal year 1995 and thereafter, a
 18 point described in paragraph (1) must not require a
 19 rate of subsidy per passenger in excess of \$200 *un-*
 20 *less such point is more than 210 miles from the near-*
 21 *est large or medium hub airport* and may not be lo-
 22 cated fewer than 70 highway miles from the nearest
 23 ~~hub airport or small~~ *large or medium hub airport;*”
 24 and

25 (2) revising paragraph (1)(2) to read as follows:

(2) in subsection (1) by striking paragraph (2) and inserting the following:

“(2) AMOUNTS AVAILABLE.—There shall be available to the Secretary from the Airport and Airway Trust Fund to incur obligations under this section—

“(A) \$33,423,077 for fiscal year 1994; and

“(B) \$25,600,000 per fiscal year for each of fiscal years 1995, 1996, 1997, 1998, and 1999.

section \$33,423,077 per fiscal year for each of fiscal years 1994 through 1999. Such amounts shall remain available until expended. Unobligated balances that remain available as of September 30, 1994, are rescinded.”.

Subtitle C—Repeal of Authorizations for the Airway Science Program, Collegiate Training Initiative, and Air Carrier Maintenance Technician Training Facility Grant Program

SEC. 11201. AIRWAY SCIENCE PROGRAM.

(a) *REPEAL*.—All authority for—

(1) the Secretary of Transportation to enter into grant agreements with universities or colleges

1 having an airway science curriculum recognized by
2 the Federal Aviation Administration, to conduct
3 demonstration projects in the development, advance-
4 ment, or expansion of airway science programs; and

5 (2) the Federal Aviation Administration to
6 enter into competitive grant agreements with institu-
7 tions of higher education having airway science cur-
8 ricula, and all authorizations to appropriate for such
9 purposes, as enacted under the head, “Federal Avia-
10 tion Administration, Facilities and Equipment”, in
11 the Department of Transportation and Related
12 Agencies Appropriations Acts for fiscal years ending
13 before October 1, 1993;

14 is repealed.

15 (b) *LIMITATION.*—*Subsection (a) shall not affect the*
16 *authority of the Secretary to enter into grant agreements*
17 *with universities, colleges, or institutions of higher edu-*
18 *cation to obligate funds appropriated for fiscal years ending*
19 *before October 1, 1993, which have not been rescinded.*

20 **~~SEC. 11202. COLLEGIATE TRAINING INITIATIVE.~~**

21 Section 362 of the Department of Transportation and
22 Related Agencies Appropriations Act, 1993 (Public Law
23 102–388), is repealed, except that the Administrator of
24 the Federal Aviation Administration may continue to con-
25 vert appointment of persons who have been appointed pur-

1 suant to such section prior to the effective date of this
 2 Act from the excepted service to a career conditional or
 3 career appointment in the competitive civil service, pursu-
 4 ant to subsection (c) of such section.

5 **SEC. 11202. COLLEGIATE TRAINING INITIATIVE.**

6 (a) *IN GENERAL.*—Section 313(d) of the Federal Avia-
 7 tion Act of 1958 (49 U.S.C. App. 1354(d)) is amended—

8 (1) by striking the subsection heading and all
 9 that follows through “The Administrator” and insert-
 10 ing the following:

11 “(d) *TRAINING SCHOOLS.*—

12 “(1) *IN GENERAL.*—The Administrator”;

13 (2) by moving the text of paragraph (1), as so
 14 designated, 2 ems to the right; and

15 (3) by adding at the end the following:

16 “(2) *COLLEGIATE TRAINING INITIATIVE.*—

17 “(A) *CONTINUATION.*—The Administrator of
 18 the Federal Aviation Administration may con-
 19 tinue the Collegiate Training Initiative program,
 20 by entering into new agreements, with post-sec-
 21 ondary institutions, as defined by the Adminis-
 22 trator, whereby such institutions, without cost to
 23 the Federal Aviation Administration, prepare
 24 students for the position of air traffic controller
 25 with the Department of Transportation, as de-

1 *fined in section 2109 of title 5, United States*
2 *Code.*

3 *“(B) STANDARDS.—The Administrator may*
4 *establish standards for the entry of institutions*
5 *into such program and for their continued par-*
6 *ticipation in it.*

7 *“(C) APPOINTMENT IN EXCEPTED SERV-*
8 *ICE.—The Administrator may appoint persons*
9 *who have successfully completed a course of*
10 *training in such program to the position of air*
11 *traffic controller noncompetitively in the ex-*
12 *cepted service, as defined in section 2103 of title*
13 *5, United States Code. Persons so appointed*
14 *shall serve at the pleasure of the Administrator,*
15 *subject to section 7511 of such title (pertaining*
16 *to adverse actions). However, an appointment*
17 *under this subparagraph may be converted from*
18 *one in the excepted service to a career condi-*
19 *tional or career appointment in the competitive*
20 *civil service, as defined in section 2102 of such*
21 *title when the incumbent achieves full perform-*
22 *ance level air traffic controller status, as deter-*
23 *mined by the Administrator. The authority con-*
24 *ferred by this subparagraph to make new ap-*
25 *pointments in the excepted service shall expire at*

1 *the end of 5 years from the date of the enactment*
 2 *of this subparagraph; except that the Adminis-*
 3 *trator may determine to extend such authority*
 4 *for 1 or more successive 1-year periods there-*
 5 *after.”.*

6 **(b) CONFORMING AMENDMENT.**—*Section 362 of the*
 7 *Department of Transportation and Related Agencies Ap-*
 8 *propriations Act, 1993 (106 Stat. 1560) is repealed.*

9 **(c) LIMITATION.**—*The repeal and the amendments*
 10 *made by this section shall not prohibit the expenditure of*
 11 *funds appropriated for fiscal years ending before October*
 12 *1, 1994.*

13 **SEC. 11203. AIR CARRIER MAINTENANCE TECHNICIAN**
 14 **TRAINING FACILITY GRANT PROGRAM.**

15 ~~Section 119 of Public Law 102–581 (49 U.S.C. app.~~
 16 ~~1354 note) is repealed.~~

17 ***Subtitle D—Capital Budgeting***

18 **SEC. 11301. STATEMENT OF FINDING AND PURPOSES.**

19 **(a) STATEMENT OF FINDING.**—*Congress finds that the*
 20 *existing budget obscures the distinctions between capital ac-*
 21 *tivities and operating activities and between general funds,*
 22 *trust funds, and enterprise funds, so as to hinder identifica-*
 23 *tion of the resources needed to meet the needs of the Govern-*
 24 *ment and the investment needs of the economy that are nec-*
 25 *essary for sustained economic growth.*

1 (b) *PURPOSES.*—The purposes of this subtitle are as
2 follows:

3 (1) To provide that the unified budget present a
4 capital budget and an operating budget and distin-
5 guish between general funds, trust funds, and enter-
6 prise funds, in order to provide better and more rel-
7 evant information on the revenues, expenses, and fi-
8 nancing requirements of Government programs and
9 activities.

10 (2) To implement that part of the Report of the
11 National Performance Review that recommends that
12 the Government ensure that there is no budget bias
13 against long-term investments and contains the fol-
14 lowing statement: “The budget should recognize the
15 special nature and long-term benefits of investments
16 in fixed assets through a separate capital budget, op-
17 erating budget, and cash budget. The separate capital
18 budget will explicitly show expenditures on fixed as-
19 sets, and will help to steer our scarce resources toward
20 the most economical means of acquisition of the most
21 needed assets.”.

22 **SEC. 11302. CAPITAL AND OPERATING BUDGET FOR FISCAL**
23 **YEARS 1996 AND 1997.**

24 (a) *UNIFIED BUDGET.*—

1 (1) *IN GENERAL.*—For fiscal years 1996 and
2 1997, in addition to the budget of the United States
3 to be submitted under existing law, the President
4 shall submit a unified budget of the United States
5 composed of an operating budget and a capital bud-
6 et.

7 (2) *PRESENTATION OF BUDGETS.*—Operating
8 and capital budgets shall be presented separately for
9 unified funds, general funds, trust funds, and enter-
10 prise funds.

11 (b) *SPECIAL RULES.*—

12 (1) *MINIMUM CONTENTS.*—Actual, estimated,
13 and proposed amounts shall be presented for unified
14 funds, general funds, trust funds, and enterprise
15 funds, and, at a minimum, shall contain—

16 (A) for the operating budget the following:

17 (i) operating revenues, (ii) operating expenses,
18 (iii) operating surplus/deficit before interfund
19 transfers, (iv) interfund transfers, (v) operating
20 surplus/deficit, and (vi) Federal expenditures fi-
21 nancing the operating expenses of State and
22 local governments;

23 (B) for the capital budget the following: (i)
24 capital revenues, (ii) capital investments, (iii)
25 capital financing requirements before interfund

1 transfers, (iv) interfund transfers, and (v) cap-
2 ital financing requirements; and

3 (C) unified budget financing requirements.

4 (2) *DISTINCTION BETWEEN CAPITAL AND OTHER*
5 *ITEMS.*—The capital budget shall represent only the
6 major activities, projects, and programs which sup-
7 port the acquisition, construction, alteration, and re-
8 habilitation of capital assets. All other activities,
9 projects, and programs shall be represented in the op-
10 erating budget.

11 (c) *PRESIDENTIAL RESPONSIBILITY.*—In addition to
12 the unified budget submitted by the President as required
13 by subsections (a) and (b) of this section, the President shall
14 present information in the form required by subsection
15 (b)(1) for accounts, agencies, and functions, to the extent
16 applicable, the capital investments by State and local gov-
17 ernments not financed by the Federal Government.

18 (d) *DEFINITIONS.*—In this section, the following defi-
19 nitions apply:

20 (1) *UNIFIED BUDGET.*—The term “unified budg-
21 et” means a budget in which revenues and expenses
22 for general funds, trust funds, and enterprise funds
23 are consolidated to display totals for the Federal Gov-
24 ernment as a whole.

1 (2) *TRUST FUNDS.*—The term “trust funds”
2 *means—*

3 (A) *the Federal Old-Age and Survivors In-*
4 *surance Trust Fund,*

5 (B) *the Federal Hospital Insurance Trust*
6 *Fund,*

7 (C) *the Civil Service Retirement and Dis-*
8 *ability Fund,*

9 (D) *the Military Retirement Fund,*

10 (E) *the Federal Supplementary Medical In-*
11 *surance Trust Fund,*

12 (F) *the Unemployment Trust Fund,*

13 (G) *the Federal Disability Insurance Trust*
14 *Fund,*

15 (H) *the Highway Trust Fund,*

16 (I) *the Airport and Airway Trust Fund,*

17 *and*

18 (J) *such other funds or accounts of the Gov-*
19 *ernment that the Director of the Office of Man-*
20 *agement and Budget, in consultation with the*
21 *Comptroller General, determines should be classi-*
22 *fied as trust funds in order to fulfill the purpose*
23 *of this section.*

24 (3) *ENTERPRISE FUNDS.*—The term “enterprise
25 *funds” means—*

1 (A) *the Postal Service,*

2 (B) *the Resolution Trust Corporation,*

3 (C) *the Federal Deposit Insurance Corpora-*
4 *tion Fund,*

5 (D) *the Federal Housing Administration,*

6 (E) *the Tennessee Valley Authority Fund,*

7 (F) *the Bonneville Power Administration*
8 *Fund,*

9 (G) *the Rural Electrification and Telephone*
10 *Revolving Loan Fund,*

11 (H) *the Export-Import Bank of the United*
12 *States,*

13 (I) *the Southeastern Power Administration,*

14 (J) *the Southwestern Power Administra-*
15 *tion,*

16 (K) *the Western Area Power Administra-*
17 *tion,*

18 (L) *the Alaska Power Administration,*

19 (M) *the Overseas Private Investment Cor-*
20 *poration,*

21 (N) *the St. Lawrence Seaway Development*
22 *Corporation,*

23 (O) *the Rural Telephone Bank,*

24 (P) *the Pension Benefit Guaranty Corpora-*
25 *tion, and*

1 (Q) such other funds or accounts of the Gov-
2 ernment that the Director of the Office of Man-
3 agement and Budget, in consultation with the
4 Comptroller General, determines should be classi-
5 fied as enterprise funds in order to fulfill the
6 purpose of this section.

7 (4) GENERAL FUNDS.—The term “general funds”
8 includes all accounts of the Government that are not
9 trust funds or enterprise funds.

10 (5) UNIFIED FUNDS.—The term “unified funds”
11 means general funds, trust funds, and enterprise
12 funds and represents the unified budget.

13 (6) CAPITAL ASSETS.—The term “capital assets”
14 means physical assets and financial assets but does
15 not include consumable inventories.

16 (7) PHYSICAL ASSETS.—The term “physical as-
17 sets” means tangible assets (other than assets used for
18 national defense or security)—

19 (A) the ownership of which is or will be in
20 the public domain;

21 (B) that produce services or benefits for
22 more than 5 years; and

23 (C) that have an initial cost equal to or
24 more than \$100,000.

1 *Such term includes, but is not limited to, roadways*
2 *and bridges; airports and airway facilities; mass*
3 *transportation systems; wastewater treatment, water*
4 *distribution delivery, and related facilities; water re-*
5 *source projects; medical facilities; resource recovery*
6 *facilities; public structures; space and communication*
7 *facilities; and strategic petroleum reserves and min-*
8 *eral stockpiles.*

9 (8) *FINANCIAL ASSETS.*—*The term “financial as-*
10 *sets” means interests of the Federal Government in,*
11 *and claims of the Federal Government against, for-*
12 *foreign governments, States and their political subdivi-*
13 *sions, corporations, associations, and individuals and*
14 *their resources which are represented by a legal in-*
15 *strument (such as bonds, debentures, notes, and other*
16 *securities), less any credit subsidy costs attributable*
17 *to such financial assets.*

18 (9) *CREDIT SUBSIDY COSTS.*—*The term “credit*
19 *subsidy costs” means the losses incurred by the Fed-*
20 *eral Government as a result of its direct and guaran-*
21 *teed loans, including such costs as interest and de-*
22 *fault.*

23 (10) *CONSUMABLE INVENTORIES.*—*The term*
24 *“consumable inventories” means tangible assets of the*
25 *Federal Government, including stockpiles, supplies,*

1 *and inventories, which typically are consumed within*
2 *5 years or which have an initial price less than*
3 *\$100,000.*

4 (11) *OPERATING REVENUES.*—*The term “operat-*
5 *ing revenues” means all receipts of the Federal Gov-*
6 *ernment, other than those identified in paragraph*
7 *(17), including profits and interest earned on finan-*
8 *cial assets.*

9 (12) *OPERATING EXPENSES.*—*The term “operat-*
10 *ing expenses” means all expenses of the Federal Gov-*
11 *ernment, other than those identified in paragraph*
12 *(18), including interest payments on debts, asset con-*
13 *sumption charge, and credit subsidy costs.*

14 (13) *OPERATING SURPLUS/DEFICIT BEFORE*
15 *INTERFUND TRANSFERS.*—*The term “operating sur-*
16 *plus/deficit before interfund transfers” means the dif-*
17 *ference between operating revenues and operating ex-*
18 *penses before interfund transfers.*

19 (14) *INTERFUND TRANSFERS.*—*The term*
20 *“interfund transfers” means the flow of revenues be-*
21 *tween general and enterprise funds and trust funds*
22 *accounts that are expenses from the account making*
23 *the payments and revenues to the account receiving*
24 *the payments.*

1 (15) *OPERATING SURPLUS/DEFICIT.*—The term
2 “operating surplus/deficit” means the operating sur-
3 plus/deficit before interfund transfers plus or minus
4 interfund transfers.

5 (16) *ASSET CONSUMPTION CHARGE.*—The term
6 “asset consumption charge” means the systematic and
7 rational allocation of the cost—historical, replace-
8 ment, or current value—of a physical asset (having
9 a useful life of more than 5 years) financed by the ap-
10 propriation accounts for which the capital budget re-
11 quired by this section applies.

12 (17) *CAPITAL REVENUES.*—The term “capital
13 revenues” means receipts of the Federal Government
14 derived from taxes, collections, and receipts dedicated
15 by statute, for the rehabilitation of capital assets
16 which relate to the activities, functions, and programs
17 represented by the capital budget.

18 (18) *CAPITAL INVESTMENTS.*—The term “capital
19 investments” means (A) expenditures of the Federal
20 Government, including those under grants, contracts,
21 and leases, which are for the acquisition, construction,
22 and rehabilitation of capital assets, and (B) Federal
23 expenditures (including tax expenditures) which are
24 for the acquisition, construction, and rehabilitation of
25 the physical assets of State and local governments.

1 (19) *CAPITAL FINANCING REQUIREMENTS BE-*
 2 *FORE INTERFUND TRANSFERS.*—*The term “capital fi-*
 3 *ncing requirements before interfund transfers”*
 4 *means the difference between capital revenues and*
 5 *capital investments before interfund transfers.*

6 (20) *CAPITAL FINANCING REQUIREMENTS.*—*The*
 7 *term “capital financing requirements” means financ-*
 8 *ing requirements before interfund transfers plus or*
 9 *minus interfund transfers.*

10 (21) *UNIFIED BUDGET FINANCING REQUIRE-*
 11 *MENTS.*—*The term “unified budget financing require-*
 12 *ments” means the total of the operating surplus/defi-*
 13 *cit and the capital financing requirements.*

14 **SEC. 11303. UNITED STATES BUDGET FOR FISCAL YEAR 1998**
 15 **AND THEREAFTER.**

16 *For fiscal year 1998, and each fiscal year thereafter,*
 17 *the President shall submit only 1 budget of the United*
 18 *States and such budget shall be a unified budget which*
 19 *meets the requirements of section 11302.*

20 **SEC. 11304. REVIEW BY COMPTROLLER GENERAL.**

21 *The Comptroller General shall review and report to*
 22 *Congress on the implementation of section 11302 as the*
 23 *Comptroller General deems necessary. A review by the*
 24 *Comptroller General may include—*

1 (1) *determining whether the actual, estimated,*
 2 *and proposed appropriations, receipts, and invest-*
 3 *ments presented in the capital budget represent ac-*
 4 *tivities, functions, and programs which support the*
 5 *acquisition, construction, alteration, and rehabilita-*
 6 *tion of capital assets;*

7 (2) *determining whether the classifications made*
 8 *by the Director of the Office of Management and*
 9 *Budget under section 11302(d)(2)(H) further the pur-*
 10 *poses of section 11302; and*

11 (3) *evaluating, on an annual basis, the value*
 12 *and usefulness of capital investments in the capital*
 13 *account as set forth in section 11302.*

14 ***Subtitle E—Public Buildings***

15 ***SEC. 11401. PUBLIC BUILDING TRANSACTIONS.***

16 *Section 3 of the Public Buildings Act of 1959 (40*
 17 *U.S.C. 602) is amended—*

18 (1) *by striking “SEC. 3. The Administrator” and*
 19 *inserting the following:*

20 ***“SEC. 3. ACQUISITION OF BUILDINGS.***

21 “(a) *AUTHORITY.—The Administrator*”; and

22 (2) *by adding at the end the following:*

23 “(b) *LEASES.—The Administrator is authorized to*
 24 *enter into contracts for the lease-purchase or lease of any*
 25 *building and its site for periods of not to exceed 30 years.*

1 “(c) *CALCULATION OF TRANSACTIONS.*—For purposes
 2 of section 1341(a)(1)(B) of title 31, United States Code, the
 3 *Balanced Budget and Emergency Deficit Control Act of*
 4 *1985, the Congressional Budget Act of 1974, and the Budget*
 5 *Enforcement Act of 1990 and scorekeeping guidelines, the*
 6 *Office of Management and Budget and the Congressional*
 7 *Budget Office shall score any contract entered into by the*
 8 *Administrator under this Act for the purchase, lease-pur-*
 9 *chase, or lease of any building and its site in the same man-*
 10 *ner as if the contract was entered into on September 30,*
 11 *1990.”.*

12 **TITLE XII—DEPARTMENT OF**
 13 **VETERANS AFFAIRS**
 14 **Subtitle A—Remove Certain Limi-**
 15 **tations and Restrictions Con-**
 16 **tained in Veterans Law**

17 **SEC. 12001. REMOVAL OF CERTAIN LIMITATIONS AND RE-**
 18 **STRICTIONS.**

19 (a) ~~ELIMINATE HOSPITAL AND NURSING HOME BED~~
 20 ~~CAPACITY REQUIREMENTS.~~—

21 (1) Paragraph (1) of subsection (a) of section
 22 8110 of title 38, United States Code, is amended—
 23 (A) by striking “at not more than 125,000
 24 and not less than 100,000”; and

1 ~~(B)~~ by striking the third and fourth sen-
2 tences.

3 ~~(2)~~ Subsection ~~(a)~~ of section 8111 of such title
4 is amended to read as follows:

5 “(a) The Secretary and the Secretary of the Army,
6 the Secretary of the Air Force, and the Secretary of the
7 Navy may enter into agreements and contracts for the mu-
8 tual use or exchange of use of hospital and domiciliary
9 facilities, and such supplies, equipment, material and
10 other resources as may be needed to operate such facilities
11 properly, except that the Secretary may not enter into an
12 agreement that would in any way subordinate or transfer
13 the operation of the Department to any other agency of
14 the Government.”.

15 ~~(b) ELIMINATE THE PERSONNEL LEVEL REQUIRE-~~
16 ~~MENT FOR THE OFFICE OF INSPECTOR GENERAL.—Sec-~~
17 ~~tion 312(b) of title 38, United States Code, is repealed.~~

18 ~~(c) ELIMINATE REQUIREMENT TO REPORT TO CON-~~
19 ~~GRESS AGENCY REORGANIZATIONS.—Sections 510(b)~~
20 ~~through 510(f) of title 38, United States Code, are re-~~
21 ~~pealed.~~

22 ~~(d) ELIMINATE REQUIREMENT FOR CERTAIN SERV-~~
23 ~~ICES IN THE VETERANS HEALTH ADMINISTRATION.—~~
24 ~~Section 7305 of title 38, United States Code, is amended~~
25 ~~to read “The Veterans Health Administration shall in-~~

1 clude such professional and auxiliary services as the Sec-
2 retary may find necessary to carry out the functions of
3 the Administration.”.

4 ~~(e) ELIMINATE CERTAIN REQUIREMENTS ON THE~~
5 ~~UNDER SECRETARY FOR HEALTH—~~

6 ~~(1) Section 7306(a) of title 38, United States~~
7 ~~Code, is amended to read “(a) The Office of the~~
8 ~~Chief Medical Director shall consist of such person-~~
9 ~~nel as may be deemed necessary for the purposes of~~
10 ~~this chapter.”.~~

11 ~~(2) Section 7306(b) of title 38, United States~~
12 ~~Code, is repealed.~~

13 ~~(3) Section 7306(c) of title 38, United States~~
14 ~~Code, is amended by changing the second sentence~~
15 ~~to read “Such appointments shall be made upon the~~
16 ~~recommendation of the Chief Medical Director.”.~~

17 ~~(4) Sections 7306(c), (d), and (e) of title 38,~~
18 ~~United States Code, are redesignated as sections~~
19 ~~7306(b), (c), and (d), respectively.~~

1 **Subtitle B—Closure of Supply De-**
 2 **pots and Transfer of Revolving**
 3 **Supply Fund Money**

4 **SEC. 12101. CLOSURE OF SUPPLY DEPOTS AND TRANSFER**
 5 **OF FUNDS.**

6 Notwithstanding the provisions of section 510(b) and
 7 8121 of title 38, United States Code, the Secretary of Vet-
 8 erans Affairs shall phase out and close the Department
 9 of Veterans Affairs' Supply Depots, located at Somerville,
 10 New Jersey; Hines, Illinois; and Bell, California over two
 11 fiscal years, beginning in fiscal year 1994 and ending in
 12 fiscal year 1995, and shall transfer from the Department
 13 of Veterans Affairs Revolving Supply Fund to the General
 14 Fund of the Treasury, \$45 million by September 30,
 15 1994, and \$44 million by September 30, 1995.

16 ***Subtitle A—Administrative***
 17 ***Improvements***

18 ***SEC. 12001. ELIMINATION OF HOSPITAL AND NURSING***
 19 ***HOME BED CAPACITY REQUIREMENTS.***

20 *(a) Section 8110(a)(1) of title 38, United States Code,*
 21 *is amended—*

22 *(1) by striking “at not more than 125,000 and*
 23 *not less than 100,000”; and*

24 *(2) by striking the third and fourth sentences.*

1 (b) Section 8111(a) of such title is amended by striking
2 out “result (1)” and all that follows through “maintained
3 or”.

4 **SEC. 12002. ELIMINATION OF REQUIREMENT FOR MINIMUM**
5 **NUMBER OF PERSONNEL IN THE OFFICE OF**
6 **INSPECTOR GENERAL.**

7 Subsection (b) of section 312 of title 38, United States
8 Code, is amended to read as follows:

9 “(b) Whenever the Secretary proposes to reduce the au-
10 thorized number of full-time equivalent employees assigned
11 to the Office of Inspector General, the Secretary shall submit
12 to the Committees on Veterans’ Affairs of the Senate and
13 House of Representatives a report providing notice of the
14 proposed reduction and a detailed explanation for the pro-
15 posed reduction. No action to carry out the proposed reduc-
16 tion may be taken after the submission of such report until
17 the end of a 45-day period of continuous session of Congress
18 (determined in the same manner as specified in the last
19 sentence of section 510(b) of this title) following the date
20 of the submission of the report.”.

21 **SEC. 12003. MODIFICATION OF ADMINISTRATIVE REORGA-**
22 **NIZATION AUTHORITY.**

23 (a) MODIFICATION OF REQUIREMENT TO REPORT TO
24 CONGRESS.—Section 510 of title 38, United States Code,

1 *is amended by striking out “90-day” both places it appears*
2 *in subsection (b) and inserting in lieu thereof “45-day”.*

3 *(b) AUTHORITY TO REORGANIZE OFFICES IN EVENT*
4 *OF EMERGENCY.—Such section is further amended by strik-*
5 *ing out subsection (d) and inserting the following:*

6 *“(d)(1) The limitation in subsection (b) does not apply*
7 *with respect to an administrative reorganization at a medi-*
8 *cal facility if the Secretary determines that the reorganiza-*
9 *tion is necessary to respond to an emergency situation at*
10 *that facility. The Secretary may determine that there is an*
11 *emergency situation at a medical facility for purposes of*
12 *this subsection only in a case in which there would be an*
13 *immediate danger to patients and employees at that facility*
14 *without the reorganization. In the case of a facility at which*
15 *officials of the Department are considering whether to im-*
16 *plement an administrative reorganization before the event*
17 *or occurrence which leads to an initial finding that such*
18 *an emergency exists, the Secretary may not make such a*
19 *determination.*

20 *“(2) Whenever the Secretary determines under para-*
21 *graph (1) that it is necessary to carry out an administra-*
22 *tive reorganization at a medical facility without regard to*
23 *the limitation in subsection (b), the Secretary shall submit*
24 *a report on that determination to the Committees on Veter-*
25 *ans’ Affairs of the Senate and House of Representatives.*

1 *The report shall provide the same information as is pro-*
 2 *vided in a detailed plan and justification in the case of*
 3 *an administrative reorganization subject to subsection (b).*
 4 *The Secretary shall include in the report an explanation*
 5 *of the alternatives to the proposed administrative reorga-*
 6 *nization that were considered and each factor that was con-*
 7 *sidered in the decision to reject each such alternative.”.*

8 **SEC. 12004. ELIMINATION OF REQUIREMENT FOR CERTAIN**
 9 **SERVICES IN THE VETERANS HEALTH ADMIN-**
 10 **ISTRATION.**

11 *(a) Section 7305 of title 38, United States Code, is*
 12 *repealed.*

13 *(b) The table of sections at the beginning of chapter*
 14 *73 of such title is amended by striking the item relating*
 15 *to section 7305.*

16 **SEC. 12005. MODIFICATION OF PHYSICIAN REQUIREMENT**
 17 **FOR CERTAIN SENIOR VETERANS HEALTH AD-**
 18 **MINISTRATION OFFICIALS.**

19 *(a) UNDER SECRETARY.—Section 305 of title 38,*
 20 *United States Code, is amended—*

21 *(1) in subsection (a)(2), by striking out “shall be*
 22 *a doctor of medicine and shall be” and inserting in*
 23 *lieu thereof “shall (except as provided in subsection*
 24 *(d)(1)) be a doctor of medicine. The Under Secretary*
 25 *shall be”;*

1 (2) in subsection (d)—

2 (A) by adding at the end of paragraph (1)
3 the following: “If at the time such a commission
4 is established both the position of Deputy Under
5 Secretary for Health and the position of Associ-
6 ate Deputy Under Secretary for Health are held
7 by individuals who are doctors of medicine, the
8 individual appointed by the President as Under
9 Secretary for Health may be someone who is not
10 a doctor of medicine. In any case, the Secretary
11 shall develop, and shall furnish to the commis-
12 sion, specific criteria which the commission shall
13 use in evaluating individuals for recommenda-
14 tions under paragraph (3).”;

15 (B) by redesignating paragraph (4) as
16 paragraph (5);

17 (C) by inserting after the first sentence of
18 paragraph (3) the following: “In a case in
19 which, pursuant to paragraph (1), the individ-
20 ual to be appointed as Under Secretary does not
21 have to be a doctor of medicine, the commission
22 may make recommendations without regard to
23 the requirement in subsection (a)(2)(A) that the
24 Under Secretary be appointed on the basis of
25 demonstrated ability in the medical profession,

1 *but in such a case the commission shall accord*
2 *a priority to the selection of a doctor of medicine*
3 *over an individual who is not a doctor of medi-*
4 *cine.”; and*

5 *(D) by designating the last two sentences of*
6 *paragraph (3) as paragraph (4).*

7 *(b) DEPUTY AND ASSOCIATE DEPUTY UNDER SEC-*
8 *RETARY.—Section 7306 of such title is amended—*

9 *(1) in subsection (a)—*

10 *(A) by striking out “of the following:” in*
11 *the matter preceding paragraph (1) and insert-*
12 *ing in lieu thereof “such personnel as may be*
13 *considered necessary for the purposes of this*
14 *chapter. In appointing persons to positions in*
15 *the Office, the Under Secretary shall consider the*
16 *different types of health care services provided to*
17 *veterans by the Veterans Health Administration*
18 *and shall seek to ensure that appointments in the*
19 *Office are made in such a manner that the Office*
20 *is staffed so as to provide the Under Secretary*
21 *with appropriate expertise in those services. The*
22 *Office shall include the following:”;*

23 *(B) by inserting “(except as provided in*
24 *subsection (c))” in paragraphs (1) and (2) after*
25 *“and who shall”;*

1 (C) by striking out each paragraph after
2 paragraph (2);

3 (2) by striking out subsection (b);

4 (3) by redesignating subsection (c) as subsection
5 (b) and striking out “In the case of” in the second
6 sentence and all that follows through “such appoint-
7 ments” and inserting in lieu thereof “Such appoint-
8 ments”; and

9 (4) by inserting after subsection (b), as so redes-
10 ignated, the following new subsection (c):

11 “(c)(1) If at the time of the appointment of the Deputy
12 Under Secretary for Health under subsection (a)(1), both
13 the position of Under Secretary for Health and the position
14 of Associate Deputy Under Secretary for Health are held
15 by individuals who are doctors of medicine, the individual
16 appointed as Deputy Under Secretary for Health may be
17 someone who is not a doctor of medicine.

18 “(2) If at the time of the appointment of the Associate
19 Deputy Under Secretary for Health under subsection (a)(2),
20 both the position of Under Secretary for Health and the
21 position of Deputy Under Secretary for Health are held by
22 individuals who are doctors of medicine, the individual ap-
23 pointed as Associate Deputy Under Secretary for Health
24 may be someone who is not a doctor of medicine.”.

1 **SEC. 12006. USE OF FUNDS RECOVERED FROM THIRD PAR-**
2 **TIES.**

3 (a) *AUTHORIZED USES.*—Section 1729(g) of title 38,
4 *United States Code*, is amended by adding at the end of
5 paragraph (3) the following new subparagraph:

6 “(C) *Payments for (i) the purchase of needed*
7 *medical equipment, and (ii) such other purposes as*
8 *may be specifically authorized by law.*”.

9 (b) *AVAILABILITY OF FUNDS.*—Such section is further
10 amended by striking out paragraph (4) and inserting the
11 following:

12 “(4)(A) *Not later than December 1 of each year, there*
13 *shall be set aside within the Fund a reserve to be used for*
14 *the purposes described in paragraph (3)(C). The amount*
15 *placed into the reserve each year shall be determined under*
16 *subparagraph (B). No funds may be obligated under para-*
17 *graph (3)(C) in excess of the funds in the reserve. The re-*
18 *serve shall remain available for obligation until expended.*

19 “(B)(i) *On December 1, 1993, the amount set aside*
20 *for the reserve under subparagraph (A) shall be the amount*
21 *by which—*

22 “(I) *the unobligated balance remaining in the*
23 *Fund at the close of business on September 30, 1993,*
24 *minus any part of such balance that the Secretary de-*
25 *termines is necessary to defray, the expenses, pay-*
26 *ments, and costs described in paragraph (3), exceeds*

1 “(II) \$538,600,000.

2 “(ii) On December 1, 1994, the amount set aside for
3 the reserve under subparagraph (A) shall be the amount by
4 which—

5 “(I) the unobligated balance remaining in the
6 Fund at the close of business on September 30, 1994,
7 minus any part of such balance that the Secretary de-
8 termines is necessary to defray, the expenses, pay-
9 ments, and costs described in paragraph (3), exceeds

10 “(II) \$590,500,000.

11 “(iii) On December 1, 1995, the amount set aside for
12 the reserve under subparagraph (A) shall be the amount by
13 which—

14 “(I) the unobligated balance remaining in the
15 Fund at the close of business on September 30, 1995,
16 minus any part of such balance that the Secretary de-
17 termines is necessary to defray, the expenses, pay-
18 ments, and costs described in paragraph (3), exceeds

19 “(II) \$646,000,000.

20 “(iv) On December 1, 1996, the amount set aside for
21 the reserve under subparagraph (A) shall be the amount by
22 which—

23 “(I) the unobligated balance remaining in the
24 Fund at the close of business on September 30, 1996,
25 minus any part of such balance that the Secretary de-

1 *termines is necessary to defray, the expenses, pay-*
2 *ments, and costs described in paragraph (3), exceeds*
3 *“(II) \$698,100,000.*

4 *“(v) On December 1, 1997, the amount set aside for*
5 *the reserve under subparagraph (A) shall be the amount by*
6 *which—*

7 *“(I) the unobligated balance remaining in the*
8 *Fund at the close of business on September 30, 1997,*
9 *minus any part of such balance that the Secretary de-*
10 *termines is necessary to defray, the expenses, pay-*
11 *ments, and costs described in paragraph (3), exceeds*
12 *“(II) \$753,500,000.*

13 *“(C) If the amount to be set aside for the reserve for*
14 *any year, as calculated under subparagraph (B), is less*
15 *than zero, the amount added to the reserve for that year*
16 *shall be zero.*

17 *“(5) Not later than January 1 of each year, there shall*
18 *be deposited into the Treasury as miscellaneous receipts an*
19 *amount equal to the amount of the unobligated balance re-*
20 *maining in the Fund at the close of business on September*
21 *30 of the preceding year minus any part of such balance*
22 *that the Secretary determines is necessary in order to enable*
23 *the Secretary to defray, during the fiscal year in which the*
24 *deposit is made, the expenses, payments, and costs described*

1 in paragraph (3), and the amount in the reserve described
2 in paragraph (4).

3 “(6) The Secretary shall prescribe regulations for the
4 allocation of amounts in the reserve under paragraph (4)
5 to the medical centers of the Department for the purposes
6 stated in paragraph (3)(C). Those regulations shall be de-
7 signed to provide incentives to directors of medical centers
8 to increase the recoveries and collections under this section
9 by requiring that 20 percent of those amounts be made
10 available each year directly to the medical centers at which
11 such recoveries and collections have been at above average
12 levels. The remaining 80 percent of those funds shall be allo-
13 cated as the Secretary considers appropriate.”.

14 ***Subtitle B—Closure of Certain*** 15 ***Facilities***

16 ***SEC. 12101. CLOSURE OF SUPPLY DEPOTS.***

17 (a) *IN GENERAL.*—The Secretary of Veterans Affairs
18 shall close the Department of Veterans Affairs’ supply de-
19 pots specified in subsection (b).

20 (b) *COVERED DEPOTS.*—Subsection (a) applies to the
21 supply depots of the Department of Veterans Affairs at the
22 following locations:

- 23 (1) Somerville, New Jersey.
- 24 (2) Hines, Illinois.
- 25 (3) Bell, California.

1 (c) *DEADLINE.*—*The Secretary shall complete the ac-*
 2 *tions required by subsection (a) not later than September*
 3 *30, 1995.*

4 **SEC. 12102. WAIVER OF OTHER PROVISIONS.**

5 *Sections 510(b) and 8121 of title 38, United States*
 6 *Code, do not apply to the actions required under this sub-*
 7 *title.*

8 **Subtitle C—Provision of Informa-**
 9 **tion From the Medicare and**
 10 **Medicaid Coverage Data Bank**
 11 **to the Department of Veterans**
 12 **Affairs**

13 **SEC. 12201. PROVISION OF DATA BANK INFORMATION TO**
 14 **DEPARTMENT OF VETERANS AFFAIRS.**

15 (a) **ADDITIONAL PURPOSE OF DATA BANK.**—

16 (1) The heading to section 1144 of the Social
 17 Security Act is amended by striking “**MEDICARE**
 18 **AND MEDICAID**” and inserting “**HEALTH CARE**”.

19 (2) Subsection (a) of that section is amended—

20 (A) in the matter preceding paragraph (1),
 21 by striking “Medicare and Medicaid” and in-
 22 serting “Health Care”;

23 (B) by striking “and” at the end of para-
 24 graph (1);

1 (C) by substituting “, and” for the period
 2 at the end of paragraph (2); and

3 (D) by adding at the end the following:

4 “(3) assist in the identification of, and the col-
 5 lection from, third parties responsible for payment
 6 for health care items and services furnished to veter-
 7 ans under chapter 17 of title 38, United States
 8 Code.”.

9 (b) DISCLOSURE OF DATA BANK INFORMATION TO
 10 SECRETARY OF VETERANS AFFAIRS.—Subsection
 11 (b)(2)(B) of that section is amended by inserting “to the
 12 Secretary of Veterans Affairs and” after “Data Bank”.

13 **Subtitle D—Veterans’ Appeals**
 14 **Improvement Act of 1993**

15 ~~SEC. 12301. SHORT TITLE; REFERENCES TO TITLE 38, UNIT-~~
 16 ~~ED STATES CODE.~~

17 (a) ~~SHORT TITLE.~~—This subtitle may be cited as the
 18 ~~“Veterans’ Appeals Improvement Act of 1993”.~~

19 (b) ~~REFERENCES.~~—Except as otherwise expressly
 20 provided, whenever in this subtitle an amendment is ex-
 21 pressed in terms of an amendment to a section or other
 22 provision, the reference shall be considered to be made to
 23 a section or other provision of title 38, United States
 24 Code.

1 **SEC. 12302. COMPOSITION OF THE BOARD OF VETERANS'**
2 **APPEALS.**

3 (a) BOARD MEMBERS AND PERSONNEL.—Section
4 7101(a) is amended to read as follows:

5 “(a)(1) There is in the Department a Board of Veter-
6 ans’ Appeals (hereafter in this chapter referred to as the
7 ‘Board’). The Board is under the administrative control
8 and supervision of a Chairman directly responsible to the
9 Secretary.

10 “(2) The members of the Board shall be the Chair-
11 man, a Vice Chairman, such number of Deputy Vice
12 Chairmen as the Chairman may designate under sub-
13 section (b)(4), and such number of other members as may
14 be found necessary to conduct hearings and consider and
15 dispose of matters properly before the Board in a timely
16 manner. The Board shall have such other professional, ad-
17 ministrative, clerical, and stenographical personnel as are
18 necessary to conduct hearings and consider and dispose
19 of matters properly before the Board in a timely man-
20 ner.”.

21 (b) APPOINTMENT AND REMOVAL OF BOARD MEM-
22 BERS.—Section 7101(b) is amended—

23 (1) in paragraph (2)(A) by striking “other
24 members of the Board (including the Vice Chair-
25 man)” and inserting “Board members other than
26 the Chairman”;

1 (2) in paragraph (2)(B) by striking “para-
2 graph” and inserting “subparagraph”; and

3 (3) by striking paragraph (4) and inserting the
4 following:

5 “(4) The Secretary shall designate one Board
6 member as Vice Chairman based upon recommenda-
7 tions of the Chairman. The Chairman may designate
8 one or more Board members as Deputy Vice Chair-
9 men. The Vice Chairman and any Deputy Vice
10 Chairman shall perform such functions as the Chair-
11 man may specify. The Vice Chairman shall serve as
12 Vice Chairman at the pleasure of the Secretary. Any
13 Deputy Vice Chairman shall serve as Deputy Vice
14 Chairman at the pleasure of the Chairman.”.

15 (c) ACTING BOARD MEMBERS.—SECTION 7101(C) IS
16 AMENDED BY—

17 (1) striking paragraph (1) and inserting the fol-
18 lowing:

19 “(1) The Chairman may from time to time des-
20 ignate one or more employees of the Department to
21 serve as acting Board members.”;

22 (2) striking paragraph (2) in its entirety; and

23 (3) redesignating paragraph (3) as paragraph
24 (2) and in that paragraph by—

1 (A) striking “temporary Board members
2 designated under this subsection and the num-
3 ber of”; and

4 (B) striking “section 7102(a)(2)(A)(ii) of
5 this title” and inserting in lieu thereof “para-
6 graph (1)”.

7 (d) CHAIRMAN’S ANNUAL REPORT.—Section
8 7101(d)(2) is amended—

9 (1) in subparagraph (D) by striking “year;
10 and” and inserting “year;”;

11 (2) in subparagraph (E) by striking “year.”
12 and inserting “year; and”; and

13 (3) by adding at the end of paragraph (2) the
14 following new subparagraph:

15 “(F) the names of those employees of the De-
16 partment designated under subsection (c)(1) to serve
17 as acting Board members during that year and the
18 number of cases each such acting Board member
19 participated in during that year.”.

20 (e) CONFORMING AMENDMENTS.—

21 (1) Section 7101(d)(3)(B) is amended by strik-
22 ing “section 7103(d)” and inserting “section
23 7101(b)”.

24 (2) Section 7101(e) is amended by striking “a
25 temporary or” and inserting “an”.

1 **SEC. 12303. ASSIGNMENT OF MATTERS BEFORE THE**
2 **BOARD.**

3 Section 7102 is amended to read as follows:

4 **“§ 7102. Assignment of matters before the Board**

5 “The Chairman may determine any matter before the
6 Board, or rule on any motion in connection therewith, or
7 may assign any such matter or motion to any other Board
8 member or a panel of members for determination. Any
9 such assignment by the Chairman may not be reviewed
10 by any other official or by any court, whether by an action
11 in the nature of mandamus or otherwise.”.

12 **SEC. 12304. DETERMINATIONS BY THE BOARD.**

13 (a) IN GENERAL.—Section 7103(a) is amended to
14 read as follows:

15 “(a) When the Chairman retains a matter or submits
16 it to another Board member or a panel of members for
17 determination in accordance with section 7102 of this
18 title, or to an expanded panel of Board members in ac-
19 cordance with subsection (b) of this section, the Chairman,
20 other member, or panel of members may:

21 “(1) Issue an order dismissing any appeal, in
22 whole or in part, which fails to allege specific error
23 of fact or law in the determination being appealed
24 or in which the determination being appealed has be-
25 come moot. Each order of dismissal shall include a
26 written statement of the Board’s findings and con-

1 elusions, and the reasons or bases for those findings
2 and conclusions, in support of the dismissal.

3 “(2) Issue an order remanding the case, in
4 whole or in part, to the agency of original jurisdic-
5 tion for such additional development as the Chair-
6 man, other member, or panel of members may con-
7 sider necessary for proper disposition of the case.

8 “(3) Render a written decision with respect to
9 any issues not dismissed or remanded, which deci-
10 sion shall constitute the Board’s final disposition of
11 the issues so decided. Such decisions shall be based
12 on the entire record in the proceeding, upon consid-
13 eration of all evidence and material of record, and
14 upon applicable provisions of law and regulation.
15 The Board shall be bound in its decisions, including
16 allowances made under the provisions of subsection
17 (d) of this section, by the regulations of the Depart-
18 ment, the instructions of the Secretary, and the
19 precedent opinions of the chief legal officer of the
20 Department. Each decision of a Board member or a
21 panel of members shall include—

22 “(A) a written statement of the Board’s
23 findings and conclusions, and the reasons or
24 bases for those findings and conclusions, on all

1 material issues of fact and law presented on the
2 record; and

3 “(B) an order granting appropriate relief
4 or denying relief.

5 Decisions by a panel of Board members, except as other-
6 wise provided in subsection (b), shall be made by a major-
7 ity of the members of the panel.”.

8 (b) RECONSIDERATION.—Section 7103(b) is amend-
9 ed to read as follows:

10 “(b) The decision of a Board member or a panel of
11 members is final, unless the Chairman orders reconsider-
12 ation of the case, and a claim disallowed by the Board
13 may not thereafter be reopened or allowed except as pro-
14 vided in section 5108 of this title and subsection (d) of
15 this section. If the Chairman orders reconsideration in a
16 case, the case shall be considered upon reconsideration by
17 a panel of members other than the Chairman if one mem-
18 ber originally decided the case or by an expanded panel
19 of members other than the Chairman if a panel originally
20 decided the case. When a panel considers a case after a
21 motion for reconsideration has been granted, the decision
22 of a majority of the panel members shall constitute the
23 final decision of the Board, except as provided in sub-
24 section (d). If the expanded panel cannot reach a majority
25 decision, the Chairman may either assign additional mem-

1 bers other than the Chairman to the panel or vote with
2 the members of the expanded panel so as to create a ma-
3 jority decision. Either the expanded panel majority or the
4 majority made with the vote of the Chairman shall con-
5 stitute the final decision of the Board, except as provided
6 in subsection (d).”.

7 (c) ADMINISTRATIVE ALLOWANCE; NOTICE OF DE-
8 TERMINATION.—Section 7103 is further amended by add-
9 ing at the end of the following:

10 “(d) Whenever a Board member other than the
11 Chairman or Vice Chairman is of the opinion that a prior,
12 otherwise final denial of a claim should be revised or
13 amended to allow the claim in whole or in part, based on
14 a difference of opinion as to how the evidence should be
15 evaluated rather than on any error in the prior decision,
16 the Board member shall recommend such allowance to the
17 Chairman or Vice Chairman. The Chairman or Vice
18 Chairman, whether upon the recommendation of any other
19 Board member or upon the Chairman’s or Vice Chair-
20 man’s own motion, if of the opinion that a prior, otherwise
21 final denial of a claim should be revised or amended to
22 allow the claim in whole or in part, based on a difference
23 of opinion as to how the evidence should be evaluated rath-
24 er than on any error in the prior decision, shall approve
25 the award of any benefit, or any increase therein, on the

1 basis of such difference of opinion. The discretionary exer-
 2 cise of the authority provided to the Chairman and Vice
 3 Chairman under this subsection shall not be reviewed by
 4 any other official or by any court, whether by an action
 5 in the nature of mandamus or otherwise.

6 “(e) After reaching a determination under any of the
 7 provisions of this section, the Board shall promptly mail
 8 a copy of its written decision to the appellant and the ap-
 9 pellant’s authorized representative (if any) at the last
 10 known address of the appellant and at the last known ad-
 11 dress of such representative (if any), respectively.”

12 **SEC. 12305. JURISDICTION OF THE BOARD.**

13 Section 7104 is amended by—

14 (a) striking the subsection designation “(a)”;

15 (b) striking “211(a)” and inserting “511(a)”;

16 and

17 (c) striking all after “made by the Board.”

18 **SEC. 12306. APPELLATE PROCEDURE.**

19 Section 7105(d) is amended by striking paragraph
 20 (5).

21 **SEC. 12307. MEDICAL OPINIONS.**

22 Section 7109 is amended to read as follows:

23 **“§ 7109. Medical opinions**

24 “(a) A Board member or a panel of members before
 25 whom a matter which involves a medical question is pend-

1 ing may, in the discretion of the member or panel, request
2 an opinion on that medical question from—

3 ~~“(1) an employee of the Board who is licensed~~
4 ~~to practice medicine in any State;~~

5 ~~“(2) an employee of the Veterans Health Ad-~~
6 ~~ministration who is licensed to practice medicine in~~
7 ~~any State and who has been designated by the~~
8 ~~Under Secretary for Health to provide such an opin-~~
9 ~~ion; or~~

10 ~~“(3) an employee of any Federal department or~~
11 ~~agency who is licensed to practice medicine in any~~
12 ~~State and who has been designated, in accordance~~
13 ~~with arrangements made by the Secretary with the~~
14 ~~head of any such Federal department or agency, to~~
15 ~~provide such an opinion.~~

16 ~~“(b) When, in the judgment of a Board member or~~
17 ~~a panel of members assigned a matter for determination~~
18 ~~in accordance with section 7102 of this title, the medical~~
19 ~~complexity or controversy involved in that matter warrants~~
20 ~~expert medical opinion in addition to, or in lieu of, that~~
21 ~~available within the Department or within another Federal~~
22 ~~department or agency, the Board may secure an advisory~~
23 ~~medical opinion from one or more independent medical ex-~~
24 ~~perts who are not employees of the Department or of an-~~
25 ~~other Federal department or agency. The Secretary shall~~

1 make necessary arrangements with recognized medical
2 schools, universities, or clinics to furnish such advisory
3 medical opinions at the request of the Chairman. Any such
4 arrangement shall provide that the actual selection of the
5 expert or experts to give the advisory opinion in an individ-
6 ual case shall be made by an appropriate official of such
7 institution. For purposes of this section, an employee of
8 a medical school, university, or clinic shall not be consid-
9 ered an employee of the Department or another Federal
10 department or agency just because the medical school, uni-
11 versity, or clinic receives grants from, or provides contract
12 services to, the Department or another Federal depart-
13 ment or agency.

14 “(c) Any opinion provided under this section shall be
15 in writing and made a part of the record. The Board shall
16 notify a claimant that an advisory medical opinion has
17 been requested under this section with respect to the
18 claimant’s case and shall mail to the claimant and the
19 claimant’s authorized representative (if any) at the last
20 known address of the claimant and at the last known ad-
21 dress of such representative (if any) a copy of such opinion
22 when the Board receives it. An opportunity for response
23 by or on behalf of the claimant shall be provided following
24 the mailing of the copy (or copies) of such advisory medi-
25 cal opinion.”.

1 **SEC. 12308. HEARINGS.**

2 Section 7110 is amended to read as follows:

3 **“§ 7110. Hearings**

4 “(a) The Board shall decide any appeal only after af-
5 fording the appellant an opportunity for a hearing.

6 “(b) A hearing docket shall be maintained and formal
7 recorded hearings shall be held by such member or mem-
8 bers of the Board as the Chairman may designate. Such
9 member or members designated by the Chairman to con-
10 duct the hearing will participate in making the final deter-
11 mination in the claim.

12 “(c) An appellant may request a hearing before the
13 Board at either its principal location or a regional office
14 of the Department. Any hearing held at a regional office
15 of the Department shall be scheduled for hearing in the
16 order in which the requests for hearing in that area are
17 received by the Department at the place specified by the
18 Department for the filing of requests for such hearings.

19 “(d) At the request of the Chairman, the Secretary
20 may provide suitable facilities and equipment to the Board
21 or other components of the Department to enable an ap-
22 pellant located at a facility within the area served by a
23 regional office to participate, through voice transmission,
24 or picture and voice transmission, by electronic or other
25 means, in a hearing with a Board member or members
26 sitting at the Board’s principal location. When such facili-

1 ties and equipment are available, the Chairman may, at
 2 his or her discretion, afford the appellant an opportunity
 3 to participate in a hearing before the Board through the
 4 use of such facilities and equipment in lieu of a hearing
 5 held by personally appearing before a Board member or
 6 members as provided in subsection (c).''.

7 **SEC. 12309. TABLE OF CONTENTS.**

8 The table of contents at the beginning of chapter 71
 9 is amended by—

10 (1) striking “7102. Assignment of members of
 11 Board.” and inserting “7102. Assignment of appel-
 12 late matters.”;

13 (2) striking “7109. Independent medical opin-
 14 ions.” and inserting “7109. Medical opinions.”; and

15 (3) striking “7110. Traveling sections.” and in-
 16 serting “7110. Hearings.”.

17 **SEC. 12310. EFFECTIVE DATES OF AWARDS BASED ON DIF-**
 18 **ERENCE OF OPINION.**

19 Section 5110 is amended by adding at the end the
 20 following new subsection:

21 “(e) The effective date of the award of any benefit,
 22 or any increase therein, pursuant to section 7103(d) of
 23 this title on the basis of a difference of opinion shall be—

24 “(1) if the award resulted from review initiated
 25 by an application to reopen the claim for the benefit

1 in question under the provision of section 5108 of
 2 this title, fixed in accordance with the facts found
 3 but shall not be earlier than the date the Depart-
 4 ment of Veterans Affairs received such application;
 5 or

6 “(2) if the award resulted from review of the
 7 final determination undertaken by the Department
 8 of Veterans Affairs solely on its own initiative, the
 9 date the Chairman or Vice Chairman of the Board
 10 of Veterans’ Appeals approved the award.”

11 ***Subtitle D—Veterans’ Appeals***
 12 ***Improvements***

13 ***SEC. 12301. BOARD OF VETERANS’ APPEALS.***

14 (a) *BOARD MEMBERS AND PERSONNEL.*—Section
 15 7101(a) of title 38, United States Code, is amended to read
 16 as follows:

17 “(a)(1) There is in the Department a Board of Veter-
 18 ans’ Appeals (hereinafter in this chapter referred to as the
 19 ‘Board’). The Board is under the administrative control
 20 and supervision of a Chairman directly responsible to the
 21 Secretary.

22 “(2) The members of the Board shall be the Chairman,
 23 a Vice Chairman, such number of Deputy Vice Chairmen
 24 as the Chairman may designate under subsection (b)(4),
 25 and such number of other members as may be found nec-

1 *essary to conduct hearings and consider and dispose of mat-*
2 *ters properly before the Board in a timely manner. The*
3 *Board shall have such other professional, administrative,*
4 *clerical, and stenographic personnel as are necessary to con-*
5 *duct hearings and consider and dispose of matters properly*
6 *before the Board in a timely manner.”.*

7 (b) *ETHICAL AND LEGAL LIMITATIONS ON CHAIR-*
8 *MAN.—Section 7101(b)(1) of such title is amended by in-*
9 *serting after the first sentence the following: “The Chairman*
10 *shall be subject to the same ethical and legal limitations*
11 *and restrictions concerning involvement in partisan politi-*
12 *cal activities as apply to judges of the United States Court*
13 *of Veterans Appeals.”.*

14 (c) *APPOINTMENT AND REMOVAL OF BOARD MEM-*
15 *BERS.—Section 7101(b) of such title is further amended—*

16 (1) *in paragraph (2)(A) by striking “other mem-*
17 *bers of the Board (including the Vice Chairman)” and*
18 *inserting “Board members other than the Chairman”;*

19 (2) *in paragraph (2)(B) by striking “para-*
20 *graph” and inserting “subparagraph”; and*

21 (3) *by striking paragraph (4) and inserting the*
22 *following:*

23 “(4) *The Secretary shall designate one Board*
24 *member as Vice Chairman based upon recommenda-*
25 *tions of the Chairman. The Chairman may designate*

1 *one or more Board members as Deputy Vice Chair-*
 2 *men. The Vice Chairman and any Deputy Vice*
 3 *Chairman shall perform such functions as the Chair-*
 4 *man may specify. The Vice Chairman shall serve as*
 5 *Vice Chairman at the pleasure of the Secretary. Any*
 6 *Deputy Vice Chairman shall serve as Deputy Vice*
 7 *Chairman at the pleasure of the Chairman.”.*

8 *(d) ACTING BOARD MEMBERS.—Section 7101(c) of*
 9 *such title is amended—*

10 *(1) by striking paragraph (1) and inserting the*
 11 *following:*

12 *“(1) The Chairman may from time to time des-*
 13 *ignate one or more employees of the Department to*
 14 *serve as acting Board members.”;*

15 *(2) by striking paragraph (2); and*

16 *(3) by redesignating paragraph (3) as para-*
 17 *graph (2) and in that paragraph by—*

18 *(A) striking “temporary Board members*
 19 *designated under this subsection and the number*
 20 *of”;* and

21 *(B) striking “section 7102(a)(2)(A)(ii) of*
 22 *this title” and inserting “paragraph (1)”.*

23 *(e) CHAIRMAN’S ANNUAL REPORT.—Section*
 24 *7101(d)(2) of such title is amended—*

1 (1) by striking out “and” at the end of subpara-
2 graph (D);

3 (2) by striking out the period at the end of sub-
4 paragraph (E) and inserting in lieu thereof “; and”;
5 and

6 (3) by adding at the end the following new sub-
7 paragraph:

8 “(F) the names of those employees of the Depart-
9 ment designated under subsection (c)(1) to serve as
10 acting Board members during that year and the num-
11 ber of cases each such acting Board member partici-
12 pated in during that year.”.

13 (e) *CONFORMING AMENDMENTS.*—Section 7101 of such
14 title is further amended—

15 (1) in subsection (d)(3)(B), by striking “section
16 7103(d)” and inserting “section 7101(a)(2)”; and

17 (2) in subsection (e), by striking “a temporary
18 or” and inserting “an”

19 **SEC. 12302. DECISIONS BY THE BOARD.**

20 (a) *ACTION BY BVA THROUGH SECTIONS.*—Sections
21 7102 and 7103 of title 38, United States Code, are amended
22 to read as follows:

23 **“§ 7102. Decisions by the Board**

24 “A proceeding instituted before the Board shall be as-
25 signed to an individual member or a panel of members of

1 *the Board (other than the Chairman). A member or panel*
2 *of members who are assigned a proceeding shall render a*
3 *decision thereon, including any motion filed in connection*
4 *therewith. The member or panel of members shall make a*
5 *report under section 7104(d) of this title on any such deter-*
6 *mination, which report shall constitute the Board's final*
7 *disposition of the proceeding. Decisions by a panel shall be*
8 *made by a majority of the members of the panel.*

9 ***“§ 7103. Reconsideration; correction of obvious errors***

10 *“(a) The decision of a member or panel of the Board*
11 *under section 7102 of this title is final unless the Chairman*
12 *orders reconsideration of the case. Such an order may be*
13 *made on the Chairman's initiative or upon motion of the*
14 *claimant.*

15 *“(b)(1) If the Chairman orders reconsideration in a*
16 *case decided by a single member, the matter shall be referred*
17 *to a panel of not less than three Board members, not includ-*
18 *ing the member who rendered the initial decision, which*
19 *shall render its decision after reviewing the entire record*
20 *before the Board. Such decisions shall be made by a major-*
21 *ity vote of the members of the panel and shall constitute*
22 *the final decision of the Board.*

23 *“(2) If the Chairman orders reconsideration in a case*
24 *decided by a panel of members, the matter shall be referred*
25 *to an enlarged panel, not including the members of the*

1 panel which rendered the initial decision, which shall
 2 render its decision after reviewing the entire record before
 3 the Board. Such decisions shall be made by a majority vote
 4 of the members of the expanded panel and shall constitute
 5 the final decision of the Board.

6 “(c) The Board on its own motion may correct an ob-
 7 vious error in the record, without regard to whether there
 8 has been a motion or order for reconsideration.”.

9 (b) CLERICAL AMENDMENT.—The items relating to
 10 sections 7102 and 7103 in the table of sections at the begin-
 11 ning of chapter 71 are amended to read as follows:

“7102. Decisions by the Board.

“7103. Reconsideration; correction of obvious errors.”.

12 **SEC. 12303. TECHNICAL CORRECTION.**

13 Section 7104(a) of title 38, United States Code, is
 14 amended by striking out “211(a)” and inserting in lieu
 15 thereof “511(a)”.

16 **SEC. 12304. HEARINGS.**

17 (a) IN GENERAL.—Section 7110 of title 38, United
 18 States Code, is amended to read as follows:

19 **“§ 7110. Hearings**

20 “(a) The Board shall decide any appeal only after af-
 21 fording the appellant an opportunity for a hearing.

22 “(b) A hearing docket shall be maintained and formal
 23 recorded hearings shall be held by such member or members
 24 of the Board as the Chairman may designate. Such member

1 or members designated by the Chairman to conduct the
2 hearing will participate in making the final determination
3 in the claim.

4 “(c)(1) An appellant may request a hearing before the
5 Board at either its principal location or at a regional office
6 of the Department. A hearing held at a regional office shall
7 (except as provided in paragraph (2)) be scheduled for hear-
8 ing in the order in which the requests for hearing in that
9 area are received by the Department at the place specified
10 by the Department for the filing of requests for those hear-
11 ings.

12 “(2) In a case in which the Secretary is aware that
13 the appellant is seriously ill or is under severe financial
14 hardship, a hearing may be scheduled at a time earlier than
15 would be provided under paragraph (1).

16 “(d) At the request of the Chairman, the Secretary may
17 provide suitable facilities and equipment to the Board or
18 other components of the Department to enable an appellant
19 located at a facility within the area served by a regional
20 office to participate, through voice transmission, or picture
21 and voice transmission, by electronic or other means, in a
22 hearing with a Board member or members sitting at the
23 Board’s principal location. When such facilities and equip-
24 ment are available, the Chairman may afford the appellant
25 an opportunity to participate in a hearing before the Board

1 *through the use of such facilities and equipment in lieu of*
 2 *a hearing held by personally appearing before a Board*
 3 *member or members as provided in subsection (c). Any such*
 4 *hearing shall be conducted in the same manner as, and shall*
 5 *be considered the equivalent of, a personal hearing. If the*
 6 *appellant declines to participate in a hearing through the*
 7 *use of such facilities and equipment, the opportunity of the*
 8 *appellant to a hearing as provided in subsection (c) shall*
 9 *not be affected.”.*

10 (b) *CLERICAL AMENDMENT.—The item relating to sec-*
 11 *tion 7110 in the table of sections at the beginning of chapter*
 12 *71 of such title is amended to read as follows:*

“7110. Hearings.”.

13 **SEC. 12305. ELIMINATION OF REQUIREMENT FOR ANNUAL**
 14 **INCOME QUESTIONNAIRES.**

15 *Section 1506 of title 38, United States Code, is amend-*
 16 *ed—*

17 (1) *in paragraph (2), by striking out “shall”*
 18 *and inserting in lieu thereof “may”; and*

19 (2) *in paragraph (3), by striking out “file a re-*
 20 *vised report” and inserting in lieu thereof “notify the*
 21 *Secretary”.*

1 **TITLE XIII—HUMAN RESOURCE**
2 **MANAGEMENT**
3 **Subtitle A—Federal Workforce**
4 **Restructuring Act of 1993**

5 ~~SEC. 13001. SHORT TITLE.~~

6 This subtitle may be cited as the “Federal Workforce
7 Restructuring Act of 1993”.

8 ~~SEC. 13002. AMENDMENTS TO CHAPTER 41 OF TITLE 5,~~
9 **UNITED STATES CODE.**

10 (a) Chapter 41 of title 5, United States Code, is
11 amended—

12 (1) in section 4101(4) by striking “fields” and
13 all that follows through the semicolon and inserting
14 “fields which will improve individual and organiza-
15 tional performance and assist in achieving the agen-
16 cy’s mission and performance goals;”;

17 (2) in section 4103—

18 (A) in subsection (a) by striking “In” and
19 all that follows through “proficiency” and in-
20 serting “In order to assist in achieving an agen-
21 cy’s mission and performance goals by improv-
22 ing employee and organizational performance”;
23 and

24 (B) in subsection (b)—

1 (i) in paragraph (1) by striking “de-
2 termines” and all that follows through the
3 period and inserting “determines that such
4 training would be in the interests of the
5 Government.”;

6 (ii) by repealing paragraph (2) and
7 redesignating paragraph (3) as paragraph
8 (2); and

9 (iii) in subparagraph (C) of paragraph
10 (2) (as so redesignated) by striking “re-
11 taining” and all that follows through the
12 period and inserting “such training.”;

13 (3) in section 4105—

14 (A) by striking “(a) at the beginning; and

15 (B) by repealing subsections (b) and (c);

16 (4) by repealing section 4106;

17 (5) in section 4107—

18 (A) by amending the catchline to read as

19 follows:

20 **“§ 4107. Restriction on degree training”;**

21 (B) by repealing subsections (a) and (b)

22 and redesignating subsections (c) and (d) as
23 subsections (a) and (b), respectively;

24 (C) by amending subsection (a) (as so re-
25 designated)—

1 (i) by striking “subsection (d)” and
2 inserting “subsection (b)”;

3 (ii) by striking “by, in, or through a
4 non-Government facility”; and

5 (D) by amending paragraph (1) of sub-
6 section (b) (as so redesignated) by striking
7 “subsection (c)” and inserting “subsection (a)”;
8 (6) in section 4108(a) by striking “by, in, or
9 through a non-Government facility under this chap-
10 ter” and inserting “for more than a minimum period
11 prescribed by the head of the agency”;

12 (7) in section 4113(b) by striking everything
13 following the first sentence;

14 (8) by repealing section 4114; and

15 (9) in section 4118—

16 (A) in subsection (a)(7) by striking “by,
17 in, and through non-Government facilities”;

18 (B) by repealing subsection (b); and

19 (C) by redesignating subsections (c) and
20 (d) as subsections (b) and (c), respectively.

21 (b) The analysis of chapter 41 of title 5, United
22 States Code, is amended—

23 (1) by striking the items relating to sections
24 4106 and 4114; and

1 (2) by amending the item relating to section
2 4107 to read as follows:

~~“4107. Restriction on degree training.”~~

3 (c) The amendments made by this section are effective on the date of enactment of this Act.

5 **~~SEC. 13003. VOLUNTARY SEPARATION INCENTIVES.~~**

6 (a) For the purpose of this section—

7 (1) “agency” means an Executive agency, as
8 defined in section 105 of title 5, United States Code,
9 but does not include the Department of Defense, the
10 Central Intelligence Agency, or the General Accounting
11 Office; and

12 (2) “employee” means an employee, as defined
13 in section 2105 of title 5, United States Code, of an
14 agency, serving under an appointment without time
15 limitation, who has been currently employed for a
16 continuous period of at least 12 months, including
17 an individual employed by a county committee established
18 under section 590h(b) of title 16, United
19 States Code, but does not include—

20 (A) a reemployed annuitant under sub-
21 chapter III of chapter 83 or chapter 84 of title
22 5, United States Code, or another retirement
23 system for employees of the Government; or

24 (B) an employee having a disability on the
25 basis of which such employee is or would be eli-

1 gible for disability retirement under the applica-
2 ble retirement system referred to in subpara-
3 graph (A).

4 (b)(1) In order to assist in the restructuring of the
5 Federal workforce while minimizing involuntary separa-
6 tions, the head of an agency may pay, or authorize the
7 payment of, a voluntary separation incentive to employees
8 in any component of the agency, employees in any occupa-
9 tion or geographic location, or any combination thereof,
10 who agree, during a continuous 90-day period designated
11 by the agency head for the agency or a component thereof,
12 beginning no earlier than the date of enactment of this
13 Act and ending no later than September 30, 1994, to sep-
14 arate from service with the agency, whether by retirement
15 or resignation.

16 (2) In order to receive a voluntary separation incen-
17 tive, an employee shall separate from service no later than
18 the last day of the 90-day period designated by the agency
19 head under paragraph (1), unless the agency head deter-
20 mines that, in order to ensure the performance of the
21 agency's mission, the employee must agree to continue in
22 service until a later date, but not later than 2 years after
23 such last day of the 90-day period.

24 (c) A voluntary separation incentive—

1 (1) shall be paid in a lump sum after the em-
2 ployee's separation;

3 (2) shall be equal to the lesser of—

4 (A) an amount equal to the amount the
5 employee would be entitled to receive under sec-
6 tion 5595(c) of title 5, United States Code, if
7 the employee were entitled to payment under
8 such section; or

9 (B) \$25,000;

10 (3) shall not be a basis for payment, and shall
11 not be included in the computation, of any other
12 type of Government benefit;

13 (4) shall not be taken into account in determin-
14 ing the amount of any severance pay to which an
15 employee may be entitled under section 5595 of title
16 5, United States Code, based on any other separa-
17 tion; and

18 (5) shall be paid from appropriations or funds
19 available for the payment of the basic pay of the em-
20 ployee.

21 (d) An employee who has received a voluntary separa-
22 tion incentive under this section and accepts employment
23 with the Government of the United States within 2 years
24 of the date of the separation on which payment of the in-
25 centive is based shall be required to repay the entire

1 amount of the incentive to the agency that paid the incen-
2 tive. If the employment is with an Executive agency (as
3 defined in section 105 of title 5, United States Code), the
4 Director of the Office of Personnel Management may, at
5 the request of the head of the agency, waive the repayment
6 if the employment is in a position for which there is excep-
7 tional difficulty in recruiting a qualified employee. If the
8 employment is with an entity in the legislative branch, the
9 head of the entity or the appointing official may waive the
10 repayment if the employment is in a position for which
11 there is exceptional difficulty in recruiting a qualified em-
12 ployee. If the employment is with the judicial branch, the
13 Director of the Administrative Office of the United States
14 Courts may waive the repayment if the employment is in
15 a position for which there is exceptional difficulty in re-
16 cruiting a qualified employee.

17 (e) The Director of the Office of Personnel Manage-
18 ment may prescribe any regulations necessary for the ad-
19 ministration of this Act.

20 (f) The Director of the Administrative Office of the
21 United States Courts may, by regulation, establish a pro-
22 gram consistent with the program established by sub-
23 sections (a) through (d) of this section for employees of
24 the judicial branch.

25 (g) It is the sense of Congress that—

- 1 (1) employment in the Executive Branch should
2 be reduced by not less than one full-time equivalent
3 position for each two employees who are paid vol-
4 untary separation incentives under this Act; and
5 (2) each agency should adjust its employment
6 levels to achieve this result.

7 **SEC. 13004. REPAYMENT OF SEPARATION PAY.**

8 (a) Section 5597 of title 5, United States Code, is
9 amended by adding at the end the following new sub-
10 section:

11 “(g) An employee who receives separation pay under
12 this section on the basis of a separation occurring on or
13 after the date of enactment of the Federal Workforce Re-
14 structuring Act of 1993 and accepts employment with the
15 Government of the United States within 2 years of the
16 date of the separation on which payment of the separation
17 pay is based shall be required to repay the entire amount
18 of the separation pay to the defense agency that paid the
19 separation pay. If the employment is with an Executive
20 agency (as defined in section 105 of title 5, United States
21 Code), the Director of the Office of Personnel Manage-
22 ment may, at the request of the head of the agency, waive
23 the repayment if the employment is in a position for which
24 there is exceptional difficulty in recruiting a qualified em-
25 ployee. If the employment is with an entity in the legisla-

1 tive branch, the head of the entity or the appointing offi-
2 cial may waive the repayment if the employment is in a
3 position for which there is exceptional difficulty in recruit-
4 ing a qualified employee. If the employment is with the
5 judicial branch, the Director of the Administrative Office
6 of the United States Courts may waive the repayment if
7 the employment is in a position for which there is excep-
8 tional difficulty in recruiting a qualified employee.”.

9 (b) Section 2(b) of the Central Intelligence Agency
10 Voluntary Separation Pay Act (Public Law 103–36; 107
11 Stat. 104) is amended by adding at the end the following:
12 “An employee who receives separation pay under this sec-
13 tion on the basis of a separation occurring on or after the
14 date of enactment of the Federal Workforce Restructuring
15 Act of 1993 and accepts employment with the Government
16 of the United States within 2 years of the date of the sepa-
17 ration on which payment of the separation pay is based
18 shall be required to repay the entire amount of the separa-
19 tion pay to the Central Intelligence Agency. If the employ-
20 ment is with an Executive agency (as defined in section
21 105 of title 5, United States Code), the Director of the
22 office of Personnel Management may, at the request of
23 the head of the agency, waive the repayment if the employ-
24 ment is in a position for which there is exceptional dif-
25 ficulty in recruiting a qualified employee. If the employ-

1 ment is with an entity in the legislative branch, the head
2 of the entity or the appointing official may waive the re-
3 payment if the employment is in a position for which there
4 is exceptional difficulty in recruiting a qualified employee.
5 If the employment is with the judicial branch, the Director
6 of the Administrative Office of the United States Courts
7 may waive the repayment if the employment is in a posi-
8 tion for which there is exceptional difficulty in recruiting
9 a qualified employee.”.

10 **SEC. 13005. ADDITIONAL AGENCY PAYMENTS TO FUND.**

11 (a) Section 8334 of title 5, United States Code, is
12 amended by adding at the end the following new sub-
13 section:

14 “(1) In addition to any other payments re-
15 quired by this subchapter, an agency shall remit to
16 the Office for deposit in the Treasury of the United
17 States to the credit of the Fund an amount equal to
18 9 percent of the final rate of basic pay of each em-
19 ployee of the agency who retires under section
20 8336(d).”.

21 (b) The amendment made by this section shall apply
22 with respect to retirements occurring on or after the date
23 of enactment of this Act.

1 **SEC. 13001. SHORT TITLE.**

2 *This subtitle may be cited as the “Federal Workforce*
3 *Restructuring Act of 1993”.*

4 **SEC. 13002. TRAINING.**

5 (a) *IN GENERAL.*—Chapter 41 of title 5, United States
6 *Code, is amended—*

7 (1) *in section 4101(4) by striking “fields” and*
8 *all that follows through the semicolon and inserting*
9 *“fields which will improve individual and organiza-*
10 *tional performance and assist in achieving the agen-*
11 *cy’s mission and performance goals;”;*

12 (2) *in section 4103—*

13 (A) *in subsection (a)—*

14 (i) *by striking “In” and all that fol-*
15 *lows through “maintain” and inserting “In*
16 *order to assist in achieving an agency’s*
17 *mission and performance goals by improv-*
18 *ing employee and organizational perform-*
19 *ance, the head of each agency, in conformity*
20 *with this chapter, shall establish, operate,*
21 *maintain, and evaluate”;*

22 (ii) *by striking “and” at the end of*
23 *paragraph (2);*

24 (iii) *by redesignating paragraph (3) as*
25 *paragraph (4); and*

1 (iv) by inserting after paragraph (2)
2 the following:

3 “(3) provide that information concerning the se-
4 lection and assignment of employees for training and
5 the applicable training limitations and restrictions be
6 made available to employees of the agency; and”; and

7 (B) in subsection (b)—

8 (i) in paragraph (1) by striking “de-
9 termines” and all that follows through the
10 period and inserting “determines that such
11 training would be in the interests of the
12 Government.”; and

13 (ii) by striking paragraph (2) and re-
14 designating paragraph (3) as paragraph
15 (2);

16 (3) in section 4105—

17 (A) in subsection (a) by striking “(a)”; and

18 (B) by striking subsections (b) and (c);

19 (4) by repealing section 4106;

20 (5) in section 4107—

21 (A) by amending the catchline to read as
22 follows:

1 ***“§ 4107. Restriction on degree training”;***

2 *(B) by striking subsections (a) and (b) and*
 3 *redesignating subsections (c) and (d) as sub-*
 4 *sections (a) and (b), respectively;*

5 *(C) by amending subsection (a) (as so redes-*
 6 *ignated)—*

7 *(i) by striking “subsection (d)” and in-*
 8 *serting “subsection (b)”;* and

9 *(ii) by striking “by, in, or through a*
 10 *non-Government facility”;* and

11 *(D) by amending paragraph (1) of sub-*
 12 *section (b) (as so redesignated) by striking “sub-*
 13 *section (c)” and inserting “subsection (a)”;*

14 *(6) in section 4108(a) by striking “by, in, or*
 15 *through a non-Government facility under this chap-*
 16 *ter” and inserting “for more than a minimum period*
 17 *prescribed by the head of the agency”;*

18 *(7) in section 4113(b)—*

19 *(A) in the first sentence by striking “annu-*
 20 *ally to the Office,” and inserting “to the Office,*
 21 *at least once every 3 years, and”;* and

22 *(B) by striking the matter following the*
 23 *first sentence and inserting the following: “The*
 24 *report shall set forth—*

25 *“(1) information needed to determine that train-*
 26 *ing is being provided in a manner which is in com-*

1 *pliance with applicable laws intended to protect or*
 2 *promote equal employment opportunity; and*

3 *“(2) information concerning the expenditures of*
 4 *the agency in connection with training and such*
 5 *other information as the Office considers appro-*
 6 *priate.”;*

7 *(8) by repealing section 4114; and*

8 *(9) in section 4118—*

9 *(A) in subsection (a)(7) by striking “by, in,*
 10 *and through non-Government facilities”;*

11 *(B) by striking subsection (b); and*

12 *(C) by redesignating subsections (c) and (d)*
 13 *as subsections (b) and (c), respectively.*

14 *(b) TECHNICAL AND CONFORMING AMENDMENTS.—*
 15 *Title 5, United States Code, is amended—*

16 *(1) in section 3381(e) by striking “4105(a),” and*
 17 *inserting “4105,”; and*

18 *(2) in the analysis for chapter 41—*

19 *(A) by repealing the items relating to sec-*
 20 *tions 4106 and 4114; and*

21 *(B) by amending the item relating to sec-*
 22 *tion 4107 to read as follows:*

“4107. Restriction on degree training.”.

23 *(c) EFFECTIVE DATE.—The amendments made by this*
 24 *section shall become effective on the date of enactment of*
 25 *this Act.*

1 **SEC. 13003. VOLUNTARY SEPARATION INCENTIVES.**

2 (a) *DEFINITIONS.*—For the purpose of this section—

3 (1) the term “agency” means an Executive agen-
4 cy (as defined by section 105 of title 5, United States
5 Code), but does not include the Department of De-
6 fense, the Central Intelligence Agency, or the General
7 Accounting Office; and

8 (2) the term “employee” means an employee (as
9 defined by section 2105 of title 5, United States Code)
10 who is employed by an agency, is serving under an
11 appointment without time limitation, and has been
12 currently employed for a continuous period of at least
13 12 months; such term includes an individual em-
14 ployed by a county committee established under sec-
15 tion 8(b) of the Soil Conservation and Domestic Allot-
16 ment Act (16 U.S.C. 590h(b)), but does not include—

17 (A) a reemployed annuitant under sub-
18 chapter III of chapter 83 or chapter 84 of title
19 5, United States Code, or another retirement sys-
20 tem for employees of the Government; or

21 (B) an employee having a disability on the
22 basis of which such employee is or would be eli-
23 gible for disability retirement under the applica-
24 ble retirement system referred to in subpara-
25 graph (A).

26 (b) *AUTHORITY.*—

1 (1) *IN GENERAL.*—In order to avoid or minimize
2 the need for involuntary separations due to a reduc-
3 tion in force, reorganization, transfer of function, or
4 other similar action, and subject to paragraphs (2)
5 and (3), the head of an agency may pay, or authorize
6 the payment of, voluntary separation incentive pay-
7 ments to agency employees—

8 (A) in any component of the agency;

9 (B) in any occupation;

10 (C) in any geographic location; or

11 (D) on the basis of any combination of fac-
12 tors under subparagraphs (A) through (C).

13 (2) *REQUIREMENTS APPLICABLE TO EMPLOY-*
14 *EES.*—

15 (A) *IN GENERAL.*—In order to receive an
16 incentive payment, an employee must agree, dur-
17 ing the applicable period under subparagraph
18 (B), to separate from service with the agency
19 (whether by retirement or resignation) before
20 such period ends.

21 (B) *DESIGNATION OF PERIOD.*—The appli-
22 cable period, for purposes of any agency compo-
23 nent, occupation, geographic location, or com-
24 bination thereof—

1 (i) shall be a continuous 90-day pe-
2 riod;

3 (ii) shall be designated by the head of
4 the agency involved; and

5 (iii) shall end not later than December
6 31, 1994.

7 (C) *EXCEPTION.*—An employee who does
8 not separate from service before the end of the
9 applicable period under subparagraph (B) shall
10 be ineligible for an incentive payment under this
11 section unless—

12 (i) the agency head determines that, in
13 order to ensure the performance of the agen-
14 cy's mission, it is necessary to delay such
15 employee's separation; and

16 (ii) the employee completes any addi-
17 tional period of service agreed to (ending
18 not later than 2 years after the last day of
19 the period otherwise applicable under sub-
20 paragraph (B)).

21 (3) *REQUIREMENTS APPLICABLE TO AGEN-*
22 *CIES.*—Before offering any voluntary separation in-
23 centive payments to employees within any agency
24 component, occupation, geographic location, or com-
25 bination thereof, the head of the agency involved shall

1 *make available to all employees of such agency, and*
2 *to the exclusive representative of any such employees,*
3 *a written plan which—*

4 *(A) shall specify which agency components,*
5 *occupations, geographic locations, or combina-*
6 *tions thereof have been identified for incentives,*
7 *and the percentage of employees within each who*
8 *are supervisors or managers;*

9 *(B) shall indicate the beginning and ending*
10 *dates of any periods under paragraph (2)(B),*
11 *and the agency components, occupations, geo-*
12 *graphic locations, or combinations thereof to*
13 *which they apply;*

14 *(C) shall state whether any additional per-*
15 *sonnel reductions are anticipated after any exer-*
16 *cise of authority under this section and, if so,*
17 *what types of retraining, placement, or other*
18 *similar measures will be provided in order to*
19 *avoid involuntary separations; and*

20 *(D) shall include any other information*
21 *which may be necessary in order to permit em-*
22 *ployees who are eligible for voluntary separation*
23 *incentive payments to make an informed deci-*
24 *sion.*

1 (c) *AMOUNT AND TREATMENT OF PAYMENTS.*—A vol-
2 untary separation incentive payment—

3 (1) *shall be paid in a lump sum after the em-*
4 *ployee's separation;*

5 (2) *shall be equal to the lesser of—*

6 (A) *an amount equal to the amount the em-*
7 *ployee would be entitled to receive under section*
8 *5595(c) of title 5, United States Code, if the em-*
9 *ployee were entitled to payment under such sec-*
10 *tion; or*

11 (B) *\$25,000;*

12 (3) *shall not be a basis for payment, and shall*
13 *not be included in the computation, of any other type*
14 *of Government benefit;*

15 (4) *shall not be taken into account in determin-*
16 *ing the amount of any severance pay to which an em-*
17 *ployee may be entitled under section 5595 of title 5,*
18 *United States Code, based on any other separation;*
19 *and*

20 (5) *shall be paid from appropriations or funds*
21 *available for the payment of the basic pay of the em-*
22 *ployee.*

23 (d) *EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE*
24 *GOVERNMENT.*—

1 (1) *IN GENERAL.*—An employee who has received
2 a voluntary separation incentive payment under this
3 section and accepts employment with the Government
4 of the United States within 2 years after the date of
5 the separation on which the payment is based shall
6 be required to repay the entire amount of the incen-
7 tive payment to the agency that paid the incentive
8 payment.

9 (2) *WAIVER AUTHORITY.*—

10 (A) *EXECUTIVE AGENCY.*—If the employ-
11 ment is with an Executive agency (as defined in
12 section 105 of title 5, United States Code), the
13 Director of the Office of Personnel Management
14 may, at the request of the head of the agency,
15 waive the repayment if the employment is in a
16 position for which there is exceptional difficulty
17 in recruiting a qualified employee.

18 (B) *LEGISLATIVE BRANCH.*—If the employ-
19 ment is with an entity in the legislative branch,
20 the head of the entity or the appointing official
21 may waive the repayment if the employment is
22 in a position for which there is exceptional dif-
23 ficulty in recruiting a qualified employee.

24 (C) *JUDICIAL BRANCH.*—If the employment
25 is with the judicial branch, the Director of the

1 *Administrative Office of the United States*
2 *Courts may waive the repayment if the employ-*
3 *ment is in a position for which there is excep-*
4 *tional difficulty in recruiting a qualified em-*
5 *ployee.*

6 *(e) REGULATIONS.—The Director of the Office of Per-*
7 *sonnel Management may prescribe any regulations nec-*
8 *essary for the administration of subsections (a) through (d).*

9 *(f) EMPLOYEES OF THE JUDICIAL BRANCH.—The Di-*
10 *rector of the Administrative Office of the United States*
11 *Courts may, by regulation, establish a program consistent*
12 *with the program established by subsections (a) through (d)*
13 *for individuals serving in the judicial branch.*

14 **SEC. 13004. COORDINATION WITH OTHER PROVISIONS OF**
15 **LAW.**

16 *(a) DEFENSE AGENCIES.—Section 5597 of title 5,*
17 *United States Code, is amended by adding at the end the*
18 *following:*

19 “(g)(1) *An employee who receives separation pay*
20 *under this section on the basis of a separation occurring*
21 *on or after the date of enactment of the Federal Workforce*
22 *Restructuring Act of 1993, and accepts employment with*
23 *the Government of the United States within 2 years after*
24 *the date of the separation on which payment of the separa-*
25 *tion pay is based shall be required to repay the entire*

1 amount of the separation pay to the defense agency that
2 paid the separation pay.

3 “(2)(A) If the employment is with an Executive agen-
4 cy, the Director of the Office of Personnel Management may,
5 at the request of the head of the agency, waive the repay-
6 ment if the employment is in a position for which there
7 is exceptional difficulty in recruiting a qualified employee.

8 “(B) If the employment is with an entity in the legisla-
9 tive branch, the head of the entity or the appointing official
10 may waive the repayment if the employment is in a posi-
11 tion for which there is exceptional difficulty in recruiting
12 a qualified employee.

13 “(C) If the employment is with the judicial branch,
14 the Director of the Administrative Office of the United
15 States Courts may waive the repayment if the employment
16 is in a position for which there is exceptional difficulty in
17 recruiting a qualified employee.”.

18 (b) CENTRAL INTELLIGENCE AGENCY.—Section 2(b) of
19 the Central Intelligence Agency Voluntary Separation Pay
20 Act (Public Law 103–36; 107 Stat. 104) is amended by
21 adding at the end the following: “An employee who receives
22 separation pay under this section on the basis of a separa-
23 tion occurring on or after the date of enactment of the Fed-
24 eral Workforce Restructuring Act of 1993 and accepts em-
25 ployment with the Government of the United States within

1 2 years after the date of the separation on which payment
 2 of the separation pay is based shall be required to repay
 3 the entire amount of the separation pay to the Central In-
 4 telligence Agency. If the employment is with an Executive
 5 agency (as defined in section 105 of title 5, United States
 6 Code), the Director of the Office of Personnel Management
 7 may, at the request of the head of the agency, waive the
 8 repayment if the employment is in a position for which
 9 there is exceptional difficulty in recruiting a qualified em-
 10 ployee. If the employment is with an entity in the legislative
 11 branch, the head of the entity or the appointing official may
 12 waive the repayment if the employment is in a position
 13 for which there is exceptional difficulty in recruiting a
 14 qualified employee. If the employment is with the judicial
 15 branch, the Director of the Administrative Office of the
 16 United States Courts may waive the repayment if the em-
 17 ployment is in a position for which there is exceptional dif-
 18 ficulty in recruiting a qualified employee.”.

19 **SEC. 13005. ADDITIONAL AGENCY CONTRIBUTIONS TO THE**
 20 **RETIREMENT FUND.**

21 (a) *IN GENERAL.*—Section 8334 of title 5, United
 22 States Code, is amended by adding at the end the following
 23 new subsection:

24 “(m)(1) In addition to any other payments required
 25 by this subchapter, an agency shall remit to the Office for

1 deposit in the Treasury of the United States to the credit
 2 of the Fund an amount equal to 9 percent of the final basic
 3 pay of each employee of the agency who retires under section
 4 8336(d).

5 “(2) For the purpose of this subsection, the term ‘final
 6 basic pay’, with respect to an employee, means the total
 7 amount of basic pay which would be payable for a year
 8 of service by such employee, computed using the employee’s
 9 final rate of basic pay, and, if last serving on other than
 10 a full-time basis, with appropriate adjustment therefor.”.

11 (b) *APPLICABILITY.*—The amendment made by this
 12 section shall apply with respect to retirements occurring on
 13 or after the date of enactment of this Act.

14 **Subtitle B—SES Annual Leave**

15 **Accumulation**

16 **~~SEC. 1301. SES ANNUAL LEAVE ACCUMULATION.~~**

17 ~~(a) Effective on the last day of the last applicable~~
 18 ~~pay period beginning in calendar year 1993, subsection (f)~~
 19 ~~of section 6304 of title 5, United States Code, is repealed.~~

20 ***SEC. 13101. SES ANNUAL LEAVE ACCUMULATION.***

21 (a) *Effective on the last day of the last applicable pay*
 22 *period beginning in calendar year 1993, subsection (f) of*
 23 *section 6304 of title 5, United States Code, is amended to*
 24 *read as follows:*

1 “(f)(1) This subsection applies with respect to annual
2 leave accrued by an individual while serving in a position
3 in—

4 “(A) the Senior Executive Service;

5 “(B) the Senior Foreign Service;

6 “(C) the Defense Intelligence Senior Executive
7 Service;

8 “(D) the Senior Cryptologic Executive Service;

9 or

10 “(E) the Federal Bureau of Investigation and
11 Drug Enforcement Administration Senior Executive
12 Service.

13 “(2) For purposes of applying any limitation on accu-
14 mulation under this section with respect to any annual
15 leave described in paragraph (1)—

16 “(A) ‘30 days’ in subsection (a) shall be deemed
17 to read ‘90 days’; and

18 “(B) ‘45 days’ in subsection (b) shall be deemed
19 to read ‘90 days’.”

20 (b) Notwithstanding the amendment made by sub-
21 section (a), in the case of an employee who, on the effec-
22 tive date of subsection (a), is subject to subsection (f) of
23 section 6304 of title 5, United States Code, and who has
24 to such employee’s credit annual leave in excess of the
25 maximum accumulation otherwise permitted by subsection

1 (a) or (b) of section ~~6304~~, *6304 (determined applying the*
2 *amendment made by subsection (a))*, such excess annual
3 leave shall remain to the credit of the employee and be
4 subject to reduction, in the same manner as provided in
5 subsection (c) of section 6304.

6 **TITLE XIV—REINVENTING**
7 **SUPPORT SERVICES**

8 **SEC. 14001. SHORT TITLE.**

9 This title may be cited as the “Government Informa-
10 tion Dissemination and Printing Improvement Act of
11 1993”.

12 **SEC. 14002. PURPOSE.**

13 The purpose of this title is to enhance public access
14 to public information, through a diversity of sources and
15 in a variety of forms and formats, by improving the print-
16 ing and dissemination practices of the Federal Govern-
17 ment.

18 **SEC. 14003. DEFINITIONS.**

19 As used herein—

20 (1) “information dissemination product” means
21 any book, paper, map, machine-readable material,
22 audiovisual production, or other documentary mate-
23 rial, regardless of physical form or characteristic,
24 disseminated by an agency to the public; and

1 (2) “public information” means any informa-
2 tion, regardless of form or format, that an agency
3 discloses, disseminates, or makes available to the
4 public pursuant to law, rule, regulation, policy, or
5 practice, and any part of that information.

6 **SEC. 14004. EXECUTIVE BRANCH PRINTING POLICY.**

7 (a) The President shall establish policy for the acqui-
8 sition of printing by Executive branch agencies and pro-
9 mulgate government-wide regulations as appropriate.

10 (b) To the extent practicable and appropriate, the
11 policies promulgated for the acquisition of printing by Ex-
12 ecutive branch agencies shall be consistent with the prin-
13 ciples contained in the Federal Acquisition Regulation,
14 promulgated pursuant to 41 U.S.C. 405a.

15 (c) The policies promulgated pursuant to this section
16 shall ensure that the Government Printing Office has the
17 opportunity to compete on an equal basis for Executive
18 branch agency printing acquisitions.

19 **SEC. 14005. TRANSITION TO EXECUTIVE BRANCH PRINTING.**

20 (a) The Government Printing Office shall remain the
21 mandatory source for Executive branch agencies’ printing
22 for 2 years after the effective date of this Act.

23 (b) Notwithstanding subsection (a), Executive agen-
24 cies are authorized to obtain printing services costing
25 under \$2500 from commercial sources, other printing

1 sources operated by Executive branch agencies, or the
2 Government Printing Office during this period.

3 ~~(c) Subsection (a) does to apply to (1) printing for~~
4 ~~the Central Intelligence Agency, the Defense Intelligence~~
5 ~~Agency, and the National Security Agency, or (2) printing~~
6 ~~from other sources that are specifically authorized by law~~
7 ~~at the time of enactment of this Act.~~

8 **~~SEC. 14006. AUTHORITY AND FUNCTIONS OF THE DIREC-~~**
9 **~~TOR OF THE OFFICE OF MANAGEMENT AND~~**
10 **~~BUDGET.~~**

11 The Director of the Office of Management and Budg-
12 et ~~(the Director)~~ shall develop policies and practices for
13 agency dissemination of public information to ensure that
14 agencies—

15 ~~(1) make information dissemination products~~
16 ~~available on timely, equitable and cost effective~~
17 ~~terms;~~

18 ~~(2) encourage a diversity of public and private~~
19 ~~information dissemination products;~~

20 ~~(3) avoid establishing, or permitting others to~~
21 ~~establish, exclusive, restricted, or other distribution~~
22 ~~arrangements that interfere with the availability of~~
23 ~~information dissemination products on a timely and~~
24 ~~equitable basis; and~~

1 (4) set user charges for information dissemina-
2 tion products no higher than sufficient to recover
3 the cost of dissemination, except where required by
4 statute or specifically authorized by the Director.

5 **SEC. 14007. FEDERAL AGENCY RESPONSIBILITIES.**

6 The head of each Executive branch agency shall—

7 (1) ensure that the public has timely and equi-
8 table access to the agency's public information;

9 (2) disseminate public information in an effi-
10 cient, cost effective, and economical manner;

11 (3) provide notice to the Superintendent of
12 Documents and otherwise comply with the require-
13 ments of section 1710, title 44, United States Code;

14 (4) establish fees and other dissemination ar-
15 rangements in a manner consistent with the policies
16 and practices developed by the Director under Sec-
17 tion 14006 of this Act;

18 (5) consider whether information dissemination
19 products available from other Federal or nonfederal
20 sources are equivalent to any agency information
21 dissemination product and reasonably fulfill the dis-
22 semination responsibilities of the agency; and

23 (6) regularly solicit and consider public input
24 on the agency's information dissemination program.

1 **SEC. 14008. DEPOSITORY LIBRARY PROGRAM.**

2 (a) Within 1 year of the date of enactment of this
3 Act, the Director shall, in consultation with the Secretary
4 of Commerce, the Superintendent of Documents, the Li-
5 brarian of Congress the Archivist of the United States,
6 and the public, propose such amendments to Chapter 19
7 of title 44, United States Code, as may be necessary and
8 appropriate to ensure the distribution of government in-
9 formation dissemination products to the depository librar-
10 ies.

11 (b) The policies promulgated pursuant to section
12 14005 of this Act shall reaffirm agency responsibilities to
13 cooperate with the Superintendent of Documents with re-
14 gard to the distribution of government publications to the
15 depository libraries.

16 (c) Agency information dissemination programs shall
17 include provisions to maximize the distribution of informa-
18 tion dissemination products to the depository libraries.

19 **SEC. 14009. ESTABLISHMENT AND OPERATION OF GOVERN-**
20 **MENT INFORMATION LOCATOR SERVICE.**

21 Section 3511 of title 44, United States Code, is
22 amended to read as follows:

23 “(a) In order to assist agencies and the public in re-
24 ducing the burden of agency information collection re-
25 quests by minimizing duplication, the Director shall main-

1 tain a publicly accessible comprehensive inventory of all
2 approved Federal agency information collection requests.

3 “(b) In order to assist agencies and the public in lo-
4 cating information and to promote information sharing
5 and equitable access by the public, the Director shall—

6 “(1) cause to be established and maintained a
7 distributed agency-based electronic Government In-
8 formation Locator Service supported by agency in-
9 ventory systems which identify significant public in-
10 formation holdings consistent with the requirements
11 of Section 4101 of title 44, United States Code;

12 “(2) require each agency having significant in-
13 formation dissemination products to establish and
14 maintain a comprehensive inventory of such prod-
15 ucts, and shall prescribe the minimum contents of
16 such inventories, subject to any technical standards
17 developed pursuant to paragraph (3); and

18 “(3) establish an interagency committee, in co-
19 operation with the Secretary of Commerce, the Ar-
20 chivist of the United States, the Administrator of
21 General Services, the Public Printer, and the Librar-
22 ian of Congress, to develop such technical standards
23 for agency inventory systems as may be necessary
24 and appropriate.”.

1 **SEC. 14010. TECHNICAL AND CONFORMING AMENDMENTS.**

2 (a) Section 103 of title 44, United States Code, is
3 amended by striking “Government,” and inserting “Con-
4 gressional and Judicial branch publications”.

5 (b) Section 312 of title 44, United States Code, is
6 amended by striking “Government” and inserting “Con-
7 gress or the Judiciary (other than the Supreme Court)”
8 in the first sentence of the section.

9 (c) Section 313 of title 44, United States Code, is
10 amended by inserting “for the use of Congress or the Ju-
11 diciary (other than the Supreme Court)” after “other-
12 wise” in the first paragraph thereof.

13 (d) Section 501 of title 44, United States Code, is
14 amended to read as follows: “Government printing, bind-
15 ing, and blank-book work for Congress and the Judiciary
16 (other than the Supreme Court) shall be done at the Gov-
17 ernment Printing Office, except classes of work the Public
18 Printer considers appropriate to be done elsewhere.”.

19 (e) Sections 503, 504, 508, 509, 510, 512, 513, and
20 514 of title 44, United States Code, are repealed.

21 (f) Chapter 11 of title 44, United States Code, is re-
22 pealed in its entirety.

23 (g) Section 1502 of title 44, United States Code, is
24 amended by striking “and, together with the Public Print-
25 er,” after “custody” in the first section.

1 (h) Section 1503 of title 44, United States Code, is
 2 amended by striking the sixth sentence, which reads, “The
 3 Office shall transmit immediately to the Government
 4 Printing Office for printing, as provided by this chapter,
 5 one duplicate original or certified copy of each document
 6 required or authorized to be published by section 1505 of
 7 this title.”.

8 (i) Section 1504 of title 44, United States Code, is
 9 repealed.

10 (j) Section 1506 of title 44, United States Code, is
 11 amended by striking “Public Printer or Acting Printer”.

12 (k) Section 1701 of title 44, United States Code, is
 13 repealed.

14 (l) Section 207 of Public Law 102–392, Legislative
 15 Branch Appropriations Act, 1993, is repealed.

16 ***TITLE XIV—REINVENTING***
 17 ***SUPPORT SERVICES***

18 ***SEC. 14001. SHORT TITLE.***

19 *This title may be cited as the “Government Informa-*
 20 *tion Dissemination and Printing Improvement Act of*
 21 *1993”.*

22 ***SEC. 14002. TRANSFER OF FUNCTIONS.***

23 (a) *PUBLIC PRINTER.*—*The position of Public Printer*
 24 *and all functions of the position of Public Printer (other*
 25 *than functions of the Superintendent of Documents) under*

1 *title 44, United States Code, or any other provision of law*
2 *are transferred from the legislative branch of the Govern-*
3 *ment to the executive branch of the Government.*

4 (b) *SUPERINTENDENT OF DOCUMENTS.—The position*
5 *of Superintendent of Documents and all functions of the*
6 *position of Superintendent of Documents under title 44,*
7 *United States Code, or any other provision of law are trans-*
8 *ferred to the Library of Congress and shall be carried out*
9 *by the Superintendent of Documents under the direction of*
10 *the Librarian of Congress. The Superintendent of Docu-*
11 *ments shall be appointed by, and serve at the pleasure of,*
12 *the Librarian of Congress.*

13 (c) *REVOCATION OF CHARTERS.—All printing plant*
14 *charters authorized under section 501 of title 44, United*
15 *States Code, are revoked.*

16 (d) *EFFECTIVE DATE.—The transfer under subsection*
17 *(a) and the revocation under subsection (c) shall each take*
18 *effect 2 years after the date of the enactment of this title.*
19 *The transfer under subsection (b) shall take effect one year*
20 *after the date of the enactment of this title.*

21 **SEC. 14003. GOVERNMENT PUBLICATIONS TO BE AVAILABLE**
22 **THROUGHOUT THE GOVERNMENT.**

23 *All Government publications shall be available*
24 *throughout the Government to any department, agency, or*
25 *entity of the Government for use or dissemination.*

1 **SEC. 14004. INVENTORY AND FURNISHING OF GOVERNMENT**
2 **PUBLICATIONS.**

3 *Each department, agency, and other entity of the Gov-*
4 *ernment shall—*

5 *(1) establish and maintain a comprehensive in-*
6 *ventory of its Government publications;*

7 *(2) make such inventory available through the*
8 *electronic directory under chapter 41 of title 44,*
9 *United States Code; and*

10 *(3) in the form and manner prescribed by the*
11 *Superintendent of Documents, furnish its Government*
12 *publications to the Superintendent of Documents.*

13 **SEC. 14005. ADDITIONAL RESPONSIBILITIES OF THE PUBLIC**
14 **PRINTER.**

15 *(a) IN GENERAL.—The Public Printer shall, with re-*
16 *spect to the executive branch of the Government and the ju-*
17 *dicial branch of the Government—*

18 *(1) use all necessary measures to remedy neglect,*
19 *delay, duplication, and waste in the public printing*
20 *and binding of Government publications, including*
21 *the reduction and elimination of internal printing*
22 *and high-speed duplicating capacities of departments,*
23 *agencies, and entities;*

24 *(2) prescribe Government publishing standards,*
25 *which, to the greatest extent practicable, shall be con-*

1 *sistent with the United States Government Printing*
2 *Office Style Manual;*

3 (3) *prescribe Government procurement and man-*
4 *ufacturing requirements for printing paper and writ-*
5 *ing paper, which, to the greatest extent practicable,*
6 *shall be consistent with Government Paper Specifica-*
7 *tion Standards;*

8 (4) *authorize the acquisition and transfer of*
9 *equipment requisitioned by publishing facilities au-*
10 *thorized under section 501 of title 44, United States*
11 *Code;*

12 (5) *authorize the disposal of such equipment pur-*
13 *suant to section 312 of title 44, United States Code;*
14 *and*

15 (6) *establish policy for the acquisition of print-*
16 *ing, which, to the greatest extent practicable, shall be*
17 *consistent with (A) Printing Procurement Regulation*
18 *(GPO Publication 305.3), (B) Government Printing*
19 *and Binding Regulations (JCP No. 26), and (C)*
20 *Printing Procurement Department Instruction*
21 *(PP304.1B).*

22 (b) *POLICY STANDARDS.—The policy referred to in*
23 *subsection (a)(6) shall be formulated to maximize competi-*
24 *tive procurement from the private sector. Government in-*
25 *house printing and duplicating operations authorized*

1 *under section 501 of title 44, United States Code, or other-*
2 *wise authorized by law, may be used if they provide print-*
3 *ing at the lowest cost to the Government, taking into consid-*
4 *eration the total expense of production, materials, labor,*
5 *equipment, and general and administrative expense, in-*
6 *cluding all levels of overhead.*

7 **SEC. 14006. ADDITIONAL RESPONSIBILITIES OF THE SUPER-**
8 **INTENDENT OF DOCUMENTS.**

9 (a) *GOVERNMENT PUBLICATIONS TO BE FURNISHED*
10 *TO THE SUPERINTENDENT OF DOCUMENTS.*—If a depart-
11 *ment, agency, or other entity of the Government publishes*
12 *a Government publication, the head of the department,*
13 *agency, or entity shall furnish the Government publication*
14 *to the Superintendent of Documents not later than the date*
15 *of release of the material to the public.*

16 (b) *DISSEMINATION OR REPUBLICATION.*—In addition
17 *to any other dissemination provided for by law, the Super-*
18 *intendent of Documents shall disseminate or republish Gov-*
19 *ernment publications, if, as determined by the Superintend-*
20 *ent, the dissemination by the department, agency, or entity*
21 *of the Government is inadequate. The Superintendent shall*
22 *have authority to carry out the preceding sentence by ap-*
23 *propriate means, including the dissemination and republi-*
24 *cation of Government publications furnished under sub-*

1 *section (a), with the cost of dissemination and republication*
2 *to be borne by the department, agency, or entity involved.*

3 *(c) COST.—The cost charged to the public by the Su-*
4 *perintendent of Documents under subsection (b) for any*
5 *Government publication (whether such Government publi-*
6 *cation is made available to the public by a department,*
7 *agency, or entity of the Government, or by the Superintend-*
8 *ent of Documents) may include the incremental cost of dis-*
9 *semination, but may not include any profit.*

10 **SEC. 14007. DEPOSITORY LIBRARIES.**

11 *In addition to any other distribution provided for by*
12 *law, the Superintendent of Documents shall make Govern-*
13 *ment publications available to designated depository librar-*
14 *ies and State libraries. The Superintendent shall have au-*
15 *thority to carry out the preceding sentence by appropriate*
16 *means, including the dissemination and republication of*
17 *Government publications furnished under section 14006(a),*
18 *with the cost of dissemination and republication to be borne*
19 *by the department, agency, or entity involved.*

20 **SEC. 14008. DEFINITIONS.**

21 *As used in this title—*

22 *(1) the term “Government publication” means*
23 *any informational matter that is published at Gov-*
24 *ernment expense, or as required by law; and*

1 (2) the term “publish” means, with respect to in-
2 formational matter, make available for dissemination.

3 **TITLE XV—STREAMLINING**
4 **MANAGEMENT CONTROL**

5 **SEC. 15001. AUTHORITY TO INCREASE EFFICIENCY IN RE-**
6 **PORTING TO CONGRESS.**

7 (a) PURPOSE.—The purpose of this title is to improve
8 the efficiency of Executive branch performance in imple-
9 menting statutory requirements for reports to Congress
10 and its committees. Examples of improvements in effi-
11 ciency intended by this subtitle are the elimination or con-
12 solidation of duplicative or obsolete reporting requirements
13 and adjustments to deadlines that will provide for more
14 efficient workload distribution or improve the quality of
15 reports.

16 (b) AUTHORITY OF THE DIRECTOR.—The Director of
17 the Office of Management and Budget may publish annu-
18 ally in the President’s Budget his recommendations for
19 consolidation, elimination, or adjustments in frequency
20 and due dates of statutorily required periodic reports to
21 the Congress or its committees. For each recommendation,
22 the Director shall provide an individualized statement of
23 the reasons that support the recommendation. In addition,
24 for each report for which a recommendation is made, the
25 Director shall state with specificity the exact consolida-

tion, elimination, or adjustment in frequency or due date that is recommended. If the Director's recommendations are approved by law, they shall take effect.

(c) The Director's recommendations shall be consistent with the purpose stated in subsection (a).

(d) Prior to the publication of the recommendations authorized in subsection (b), the Director or his designee shall consult with the appropriate congressional committees concerning the recommendations.

TITLE XVI—FINANCIAL MANAGEMENT

SEC. 16001. SHORT TITLE.

This title may be cited as the "Federal Financial Management Act of 1993".

Subtitle A—Electronic Payments

SEC. 16101. ELECTRONIC PAYMENTS.

(a) Section 3332 of title 31, United States Code, is amended to read as follows:

"3332. Required direct deposit.

"(a)(1) Notwithstanding any other provision of law, all Federal wage, salary, and retirement payments shall be paid to recipients of such payments by electronic funds transfer, unless another method has been determined by the Secretary of the Treasury to be appropriate.

"(2) Each recipient of Federal wage, salary, or retirement payments shall designate one or more financial insti-

1 tutions or other authorized payment agents and provide
2 the payment certifying or authorizing agency information
3 necessary for the recipient to receive electronic funds
4 transfer payments through each institution so designated.

5 “(b)(1) The head of each agency shall waive the re-
6 quirements of subsection (a) of this section for a recipient
7 of Federal wage, salary, or retirement payments author-
8 ized or certified by the agency upon written request by
9 such recipient.

10 “(2) Federal wage, salary, or retirement payments
11 shall be paid to any recipient granted a waiver under para-
12 graph (1) of this subsection by any method determined
13 appropriate by the Secretary of the Treasury.

14 “(c)(1) The Secretary of the Treasury may waive the
15 requirements of subsection (a) of this section for any
16 group of recipients upon request by the head of an agency
17 under standards prescribed by the Secretary of the Treas-
18 ury.

19 “(2) Federal wage, salary, or retirement payments
20 shall be paid to any member of a group granted a waiver
21 under paragraph (1) of this subsection by any method de-
22 termined appropriate by the Secretary of the Treasury.

23 “(d) This section shall apply only to recipients of
24 Federal wage or salary payments who begin to receive
25 such payments on or after January 1, 1995, and recipients

1 of Federal retirement payments who begin to receive such
2 payments on or after January 1, 1995.

3 “(e) The crediting of the amount of a payment to
4 the appropriate account on the books of a financial institu-
5 tion or other authorized payment agent designated by a
6 payment recipient under this section shall constitute a full
7 acquittance to the United States for the amount of the
8 payment.”.

9 (b) The table of sections for chapter 33 of title 31,
10 United States Code, is amended by amending the item for
11 section 3332 to read:
“3332. Required direct deposit.”.

12 **Subtitle B—Franchise Funds and**
13 **Innovation Funds**

14 **SEC. 16201. FRANCHISE FUNDS AND INNOVATION FUNDS.**

15 (a) Title 31, United States Code, is amended by add-
16 ing, after section 1537, a section 1538, as follows:

17 **“§ 1538. Franchise funds**

18 “(a) There is hereby authorized to be established a
19 franchise fund in any executive agency which does not
20 have such a fund which shall be available, without further
21 appropriation action by the Congress, for expenses and
22 equipment necessary for the maintenance and operations
23 of such administrative services as the head of the agency,
24 with the approval of the Office of Management and Budg-

1 et, determines may be performed more advantageously on
2 a centralized basis.

3 “(b)(1) The fund shall consist of the fair and reason-
4 able value of inventories, equipment, and other assets and
5 inventories on order pertaining to the services to be pro-
6 vided by the fund as are transferred by the head of the
7 agency to the fund less related liabilities and unpaid obli-
8 gations together with any appropriations made for the
9 purpose of providing capital.

10 “(2) For the first fiscal year a fund is in operation
11 and each fiscal year thereafter, an amount not to exceed
12 4 percent of the total income of the fund may be retained
13 in the fund, to remain available until expended, to be used
14 only for the acquisition of capital equipment and for the
15 improvement and implementation of agency financial man-
16 agement and related support systems.

17 “(3) For the first three fiscal years a fund is in oper-
18 ation, up to 50 percent of the unobligated balances of
19 funds provided in annual appropriations available at the
20 end of the fiscal year to the agency for salaries and ex-
21 penses may be transferred into the fund no later than the
22 end of the succeeding fiscal year.

23 “(c) The fund shall be reimbursed or credited with
24 payments, including advance payments, from applicable
25 appropriations and funds of the agency, other Federal

1 agencies, and other sources authorized by law for supplies,
2 materials, and services at rates which will recover the ex-
3 penses of operations including accrued leave, depreciation
4 of fund plant and equipment, and an amount necessary
5 to maintain a reasonable operating reserve, as determined
6 by the head of the agency.

7 “(d)(1) In the third fiscal year after the fund is es-
8 tablished, and each year thereafter, any Federal entity
9 seeking to obtain any service financed through the fund
10 that is not inherently governmental in nature must not
11 be precluded from obtaining such service from one or more
12 other sources, either governmental or non-governmental,
13 in addition to the source finance through the funds.

14 “(2) If, after the end of the third fiscal year after
15 a fund is established, any Federal entity seeking to obtain
16 any service financed through the fund that is not inher-
17 ently governmental in nature is precluded from obtaining
18 such service from one or more other sources, either gov-
19 ernmental or non-governmental, in addition to the source
20 financed through the fund, the fund shall be cancelled.”.

21 (b) The table of sections for subchapter III of chapter
22 15 of title 31, United States Code, is amended by adding,
23 after the item for section 1537, the following new item:
24 “Section 1538. Franchise Funds.”.

1 (c) Title 31, United States Code, is amended by add-
2 ing, after section 1538, a section 1539, as follows:

3 **“§ 1539. Innovation funds**

4 “(a) There is hereby authorized to be established an
5 innovation fund in any executive agency which does not
6 have such a fund, which shall be available without further
7 appropriation action by the Congress.

8 “(b) The purpose of the fund is to provide a self-
9 sustaining source of financing for agencies to invest in
10 projects designed to produce measurable improvements in
11 agency efficiency and significant taxpayer savings.
12 Amounts available in the fund may be borrowed by the
13 agency for such projects, subject to subsection (e).

14 “(c) Each agency that establishes an innovation fund
15 will develop an investment project selection process, in-
16 cluding specific investment criteria such as return on in-
17 vestment, payback period, extent of matching or in-kind
18 support (including such support from other Federal agen-
19 cies), technical merit, and budget justification.

20 “(d) For the first three fiscal years a fund is in oper-
21 ation, up to 50 percent of the unobligated balances of
22 funds provided in annual appropriations available at the
23 end of the fiscal year to the agency (other than appropria-
24 tions for salaries and expenses) may be transferred to and
25 merged with the innovation fund to be available to make

1 loans to agency components for projects designed to en-
2 hance productivity and generate cost savings, provided
3 that such transfers occur no later than the end of the suc-
4 ceeding fiscal year.

5 “(e)(1) Any amounts borrowed from the fund by an
6 agency component to finance a project selected under the
7 process described in subsection (c) shall be repaid to the
8 fund at the times specified in the repayment schedule
9 agreed upon at the time the loan is made.

10 “(2) Interest on loans made by the fund shall be paid
11 to the fund at the rate on marketable Treasury securities
12 of similar maturity at the time the loan is made.

13 “(3) Repayments shall be made from the accounts
14 anticipated to receive the greatest long-term benefit from
15 the project at the time the loan is made.

16 “(4) Repayments to the fund shall take priority over
17 any other obligation of payments of an account designated
18 to make repayments under paragraph (3) of this sub-
19 section.”.

20 (d) The table of sections for subchapter III of chapter
21 15 of title 31, United States Code, is amended by adding,
22 after the item for section 1538, the following new item:
“Section 1539. Innovation Funds.”.

1 **Subtitle C—Simplifying the**
2 **Management Reporting Process**

3 **SEC. 16301. SIMPLIFICATION OF MANAGEMENT REPORTING**
4 **PROCESS.**

5 (a) To improve the efficiency of Executive branch
6 performance in implementing statutory requirements for
7 general management and financial management reports to
8 the Congress and its committees, the Director of the Of-
9 fice of Management and Budget may publish annually in
10 the President's Budget his recommendations for consoli-
11 dation, elimination, or adjustments in frequency and due
12 dates of statutorily required periodic reports of agencies
13 to the Office of Management and Budget or the President
14 and of agencies or the Office of Management and Budget
15 to the Congress under any laws for which the Office of
16 Management and Budget has general management or fi-
17 nancial management responsibility. For each rec-
18 ommendation, the Director shall provide an individualized
19 statement of the reasons that support the recommenda-
20 tion. In addition, for each report for which a recommenda-
21 tion is made, the Director shall state with specificity the
22 exact consolidation, elimination, or adjustment in fre-
23 quency or due date that is recommended. If the Director's
24 recommendations are approved by law, they shall take ef-
25 fect.

1 (b) The Director's recommendations shall be consist-
2 ent with the purpose stated in subsection (a).

3 (c) Prior to the publication of the recommendations
4 authorized in subsection (a), the Director or his designee
5 shall consult with the appropriate congressional commit-
6 tees, including the House Committee on Government Op-
7 erations and the Senate Committee on Governmental Af-
8 fairs, concerning the recommendations.

9 **Subtitle D—Annual Financial** 10 **Reports**

11 **SEC. 16401. ANNUAL FINANCIAL REPORTS.**

12 (a) Section 3515 of title 31, United States Code, is
13 amended to read as follows:

14 **“§ 3515. Financial statements of agencies**

15 “(a) Not later than March 1 of 1997 and each year
16 thereafter, the head of each executive agency identified in
17 section 901(b) of this title shall prepare and submit to
18 the Director of the Office of Management and Budget an
19 audited financial statement for the preceding fiscal year,
20 covering all accounts and associated activities of each of-
21 fice, bureau, and activity of the agency.

22 “(b) Each audited financial statement of an executive
23 agency under this section shall reflect—

1 “(1) the overall financial position of the offices,
2 bureaus, and activities covered by the statement, in-
3 cluding assets and liabilities thereof; and

4 “(2) results of operations of those offices, bu-
5 reaus, and activities.

6 “(c) The Director of the Office of Management and
7 Budget shall prescribe the form and content of the finan-
8 cial statements of executive agencies under this section,
9 consistent with applicable accounting principles, stand-
10 ards, and requirements.

11 “(d) The Director of the Office of Management and
12 Budget may waive the application of all or part of sub-
13 section (a).

14 “(e) Not later than March 1 of 1996, the head of
15 each Executive agency identified in section 901(b) of this
16 title and designated by the Director of the Office of Man-
17 agement and Budget shall prepare and submit to the Di-
18 rector of the Office of Management and Budget an audited
19 financial statement for the preceding fiscal year, covering
20 all accounts and associated activities of each office, bu-
21 reau, and activity of the agency.

22 “(f) Not later than March 31 of 1994, 1995, and,
23 for Executive agencies not designated by the Director of
24 the Office of Management and Budget under subsection
25 (e), 1996, the head of each Executive agency identified

1 in section 901(b) of this title shall prepare and submit
2 to the Director of the Office of Management and Budget
3 a financial statement for the preceding fiscal year, cover-
4 ing—

5 “(1) each revolving fund and trust fund of the
6 agency; and

7 “(2) to the extent practicable, the accounts of
8 each office, bureau, and activity of the agency which
9 performed substantial commercial functions during
10 the preceding fiscal year.

11 “(g) for purposes of subsection (f), the term ‘commer-
12 cial functions’ includes buying and leasing of real estate,
13 providing insurance, making loans and loan guarantees,
14 and other credit programs and any activity involving the
15 provision of a service or thing for which a fee, royalty,
16 rent, or other charge is imposed by an agency for services
17 and things of value it provides.”.

18 (b) Subsection 3521(f) of title 31, United States
19 Code, is amended to read as follows:

20 “(f)(1) For each audited financial statement required
21 under subsections (a) and (e) of section 3515 of this title,
22 the person who audits the statement for purpose of sub-
23 section (e) of this section shall submit a report on the
24 audit to the head of the agency. A report under this sub-

1 section shall be prepared in accordance with generally ac-
 2 cepted government auditing standards.

3 “(2) Not later than June 30 following the fiscal year
 4 for which a financial statement is submitted under sub-
 5 section (f) of section 3515 of this title, the person who
 6 audits the statement for purpose of subsection (e) of this
 7 section shall submit a report on the audit to the head of
 8 the agency. A report under this subsection shall be pre-
 9 pared in accordance with generally accepted government
 10 auditing standards.”.

11 **Subtitle E—Strengthening Debt** 12 **Collection Programs**

13 **SEC. 16501. AUTHORIZATION OF APPROPRIATIONS FOR EN-** 14 **HANCING DEBT COLLECTION.**

15 (a) Title 31, United States Code, is amended by add-
 16 ing, after section 3720A, a section 3720B, as follows:

17 **“§ 3720B. Authorization of appropriations for enhance-** 18 **ing debt collection**

19 “(a) To the extent and in the amounts provided in
 20 advance in appropriations acts—

21 “(1) an amount not to exceed 1 percent of the
 22 delinquent debts collected for a program in one fiscal
 23 year is authorized to be credited in the following fis-
 24 cal year to a special fund for such program;

1 ~~“(2) an amount not to exceed 10 percent of any~~
2 ~~sustained annual increase in delinquent debt collec-~~
3 ~~tions, as defined by the Director of the Office of~~
4 ~~Management and Budget, is authorized to be cred-~~
5 ~~ited to a special fund for such program; and~~

6 ~~“(3) from amounts credited under paragraphs~~
7 ~~(1) and (2), such sums as may be necessary are au-~~
8 ~~thorized to be appropriated for the improvement of~~
9 ~~that program’s debt collection activities, including,~~
10 ~~but not limited to, account and loan servicing, delin-~~
11 ~~quent debt collection and asset disposition.~~

12 ~~“(b) Debt is defined as delinquent under standards~~
13 ~~prescribed or to be prescribed by the Secretary of the~~
14 ~~Treasury.~~

15 ~~“(c) For direct loan and loan guarantee programs~~
16 ~~subject to Title V of the Congressional Budget Act of~~
17 ~~1974, amounts credited in accordance with section (a)~~
18 ~~shall be considered administrative costs and shall not be~~
19 ~~included in the estimated payments to the Government for~~
20 ~~the purpose of calculating the cost of such programs.”.~~

21 ~~(b) The table of sections for subchapter II of chapter~~
22 ~~37 of title 31, United States Code, is amended by adding,~~
23 ~~after the item for section 3720A, the following new item:~~

~~“Section 3720B. Authorization of appropriations for enhancing debt collection.”.~~

1 **SEC. 16502. CONTRACTS FOR COLLECTION SERVICES.**

2 (a) Subsection 3701(d) of Title 31, United States
3 Code, is amended—

4 (1) by striking “and 3716–3719” and inserting
5 in lieu thereof “, 3716, and 3717”; and

6 (2) by striking “, the Social Security Act (42
7 U.S.C. 301 et seq.),”.

8 (b) Section 3701 of title 31, United States Code, is
9 amended by adding at the end the following:

10 “(e) Section 3718 of this title does not apply to a
11 claim or debt under, or to an amount payable under, the
12 Social Security Act (42 U.S.C. 301 et seq.) owed by a
13 person receiving benefits under that Act or to a claim or
14 debt under, or to an amount payable under, title 26 of
15 the United States Code.”.

16 **SEC. 16503. NOTIFICATION TO AGENCIES OF DEBTORS’**
17 **MAILING ADDRESSES.**

18 Section 3720A of title 31, United States Code is
19 amended by striking “the individual’s home address.” at
20 the end of subsection (c) and inserting the following: “the
21 person’s mailing address. Provision of this information is
22 authorized by section 6103(m)(2) of the Internal Revenue
23 Code (26 U.S.C. 6103(m)(2)).”.

1 **Subtitle F—Improving Department**
2 **of Justice Debt Collection**

3 **SEC. 16601. DEBT COLLECTION FUND.**

4 (a) Section 3011 of title 28, United States Code, is
5 amended to read as follows:

6 **“§ 3011. Establishment of debt collection fund; assess-**
7 **ment of surcharge on debt**

8 “(a) AUTHORIZATION OF APPROPRIATIONS.—

9 “(1) ESTABLISHMENT OF DEBT COLLECTION
10 FUND.—

11 “(A) There is hereby established in the
12 Treasury a Debt Collection Fund (hereafter re-
13 ferred to as “the Fund”), which shall be avail-
14 able to the Attorney General to the extent and
15 in such amounts as are provided in advance in
16 appropriations Acts solely for the purposes
17 specified in paragraph (2).

18 “(B) If at the end of any fiscal year, unap-
19 propriated balances in the Fund exceed
20 \$15,000,000, the excess balances shall be trans-
21 ferred to the general fund of the Treasury.

22 “(2) The Attorney General may use amounts
23 appropriated to the Fund to reimburse any appro-
24 priation or fund of the Department of Justice or any
25 other executive agency for expenses incurred in con-

1 ducting or providing support to debt collection litigation,
2 enforcing judgments, and related activities pertaining
3 to the collection of any debt or monies owed
4 to the United States Government.

5 “(3) Reimbursement received pursuant to paragraph
6 (2) shall be used solely for the purposes specified in that
7 paragraph under authorities available to the receiving
8 appropriation or fund.

9 “(b) SURCHARGE.—

10 “(1) ASSESSMENT OF SURCHARGE ON DEBT.—

11 “(A) In any action in which the United
12 States prevails on its claim for a debt, and subject to
13 paragraph (b)(1)(B) and (b)(2), the court shall award the
14 United States, and the Department of Justice shall collect
15 and deposit, a surcharge of 10 percent of the total amount
16 of any judgment or settlement which is approved by the
17 court.

18 “(B) Paragraph (b)(1)(A) shall not apply
19 if—

20 “(i) the United States receives an attorney’s fee
21 in connection with the enforcement of the claim;
22
23

1 ~~“(ii) the law upon which the action or~~
 2 ~~claim is based provides any other amount~~
 3 ~~to cover such costs; or~~

4 ~~“(iii) the judgment or settlement is~~
 5 ~~for a claim under title 26, United States~~
 6 ~~Code.~~

7 ~~“(C) Notwithstanding 31 U.S.C. 3302 or~~
 8 ~~any other statute affecting the crediting of col-~~
 9 ~~lections, and pursuant to section (b)(2), for fis-~~
 10 ~~cal year 1994 and thereafter, surcharges col-~~
 11 ~~lected pursuant to this section shall be depos-~~
 12 ~~ited in, and collect to, the Fund.~~

13 ~~“(2) AUTHORITY TO AWARD AND CREDIT OF~~
 14 ~~SURCHARGES.—The authority of the court to award~~
 15 ~~surcharges and of the Department of Justice to col-~~
 16 ~~lect and deposit such surcharges pursuant to para-~~
 17 ~~graph (b)(1) shall be available only to the extent~~
 18 ~~provided in advance in appropriations Acts.”.~~

19 ~~(b) The table of sections for chapter 176 of Title 28,~~
 20 ~~United States Code, is amended by amending the item for~~
 21 ~~Section 3011 to read: “3011. Establishment of debt collec-~~
 22 ~~tion fund; assessment of surcharge on debt.”.~~

23 **SEC. 16602. CONTRACTS FOR COLLECTION SERVICES.**

24 Subparagraph 3718(B)(1)(A) of title 31, United
 25 States Code, is amended by striking the following: “If the

1 Attorney General makes a contract for legal services to
2 be furnished in any judicial district of the United States
3 under the first sentence of this paragraph, the Attorney
4 General shall use his best efforts to obtain, from among
5 attorneys regularly engaged in the private practice of law
6 in such district, at least four such contracts with private
7 individuals or firms in such district.”.

8 **Subtitle G—Adjusting Civil**
9 **Monetary Penalties for Inflation**

10 **SEC. 16701. ADJUSTING CIVIL MONETARY PENALTIES FOR**
11 **INFLATION.**

12 The Federal Civil Penalties Inflation Adjustment Act
13 of 1990 is amended by—

14 (1) amending section 4 to read as follows: “The
15 head of each agency shall—

16 “(1) by regulation, no later than September 30,
17 1994, and at least once every 4 years thereafter, ad-
18 just each civil monetary penalty provided by law
19 within the jurisdiction of the Federal agency, except
20 for any penalty under title 26, United States Code,
21 by the inflation adjustment described under section
22 5 and publish each such adjustment in the Federal
23 Register; and

1 “(2) provide a report to the Secretary of the
2 Treasury by November 15 of each year on all pen-
3 alties adjusted during the preceding fiscal year.”;

4 (2) amending subsection 5(a) by striking “The
5 adjustment described under paragraphs (4) and
6 (5)(A) of section 4” and inserting “The inflation ad-
7 justment”; and

8 (3) adding, after section 6, a section 7, as fol-
9 lows: “Section 7. Any increase to a civil monetary
10 penalty resulting from this Act shall apply only to
11 violations which occur after the date any such in-
12 crease takes effect.”.

13 **TITLE XVII—YEAR-END**
14 **SPENDING**

15 **SEC. 17001. YEAR-END SPENDING.**

16 Section 1301 of title 31, United States Code, is
17 amended by adding the following new subsection at the
18 end:

19 “(e) Not to exceed 50 percent of unobligated balances
20 remaining available at the end of one fiscal year from ap-
21 propriations made available for salaries and expenses
22 made for that year shall remain available through Septem-
23 ber 30 of the following fiscal year for each account for
24 the same purposes. Not to exceed 2 percent of the funds
25 so carried over may be used to pay cash awards to employ-

ees, as authorized by law, and not to exceed 3 percent
of the funds may be used for employee training pro-
grams.”.

HR 3400 RH—2

HR 3400 RH—3

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HR 3400 RH—5

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HR 3400 RH—9

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